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**AUTOMOBILE INSURANCE NUMBER**



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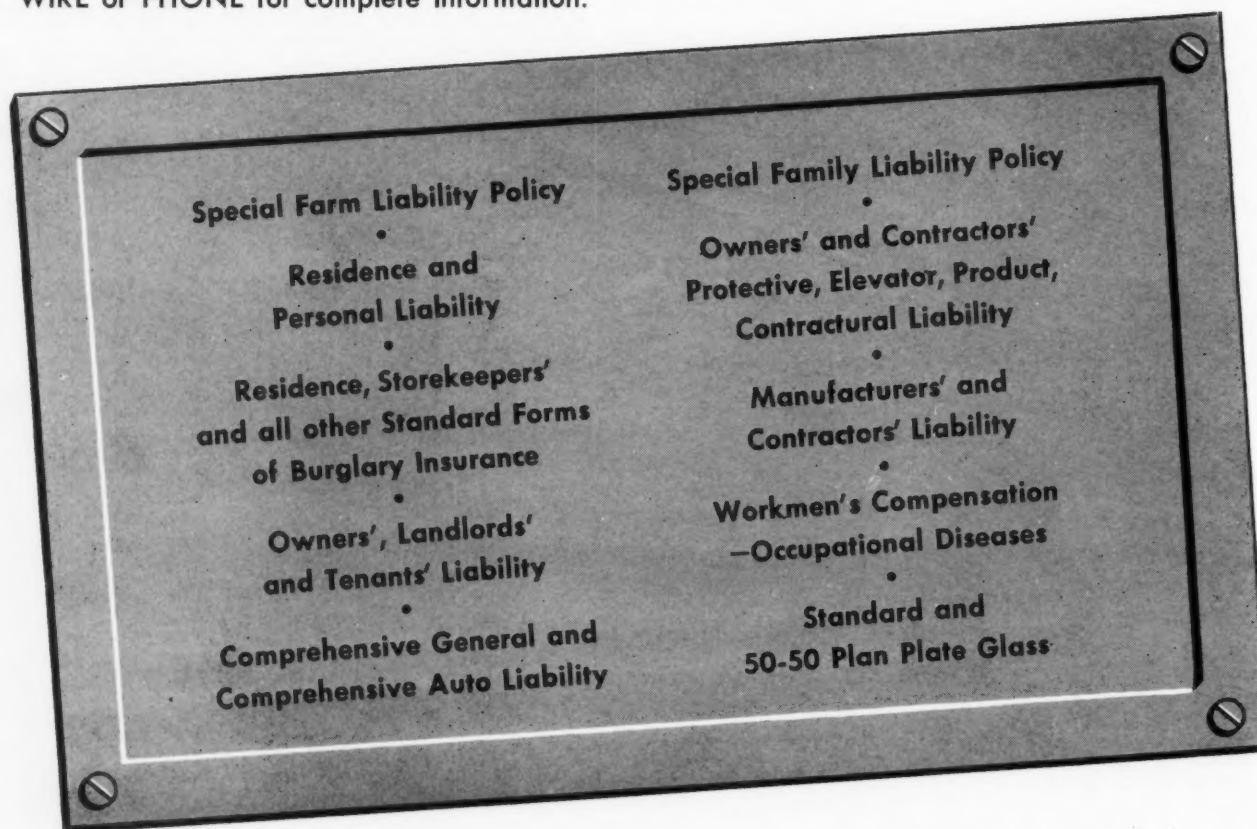
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**MONDAY, APRIL 26, 1943**

# *Cash In* **ON THE POPULARITY OF THE AMERICAN STATES** *General Casualty Lines*

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# Auto Insurance Survives Gloomy Predictions; '43 Outlook Good

When THE NATIONAL UNDERWRITER was rounding up the outlook for automobile insurance in preparing its 1942 annual automobile insurance edition, the consensus was that, except for the collapse of finance business, the prospect was that 1942 would pretty nearly hold its own in volume and that for the individual agent there was an exceptionally favorable indication in that millions of motorists whose fire, theft, comprehensive and collision coverage had been placed under finance company programs, would during 1942 be patronizing the individual insurance man. But, very few tried to apprehend what 1943 would bring in the automobile field. Most observers merely looked to 1943 as a probable abyss and shuddered. THE NATIONAL UNDERWRITER in a management even wondered whether there would be enough interest in the automobile business in 1943 to justify getting out its annual number.

But, here it is, 1943. It never occurred to us not to get out the automobile edition this year. The bottom has by no means dropped out of the automobile business and James S. Kemper the other day predicted that the volume in 1943 would exceed that of 1942. Automobiles are still being operated and even with reduced mileage, reduced speed, reduced congestion, the fact remains that by far the most hazardous operation in which the ordinary person engages is driving and riding in an automobile. The rates have been adjusted to reflect the decreased hazard. Motorists are aware of the perils of driving and hundreds of thousands of car owners that in the past were hard pressed financially and felt that they were judgment proof now have the wherewithal to pay premiums and they possess war bonds and savings accounts to protect.

## New Responsibility Laws

In Indiana, Michigan and Oregon financial responsibility laws were enacted similar to the New York-New Hampshire type of law and in those states the agents have a great opportunity and indeed an obligation to sell the third party automobile lines to tens of thousands of motorists who have not been insured in the past. As an indication of the possibilities of such a law, the auto liability premiums in New York in 1942 were about 20% greater than they were in 1941 and nearly 50% greater than in 1940, which was the last year when the new law had no effect on sales. In practically all other states the volume of auto liability business in 1942 was just about the same or a trifle less than in 1941.

It is important from a long range standpoint for agents to retain their interest in automobile insurance and to pursue a positive sales program in the



"\$375.87!!! The last time it cost me \$178."

field. An agent who takes a defeatist attitude these days will not only lose opportunities for getting new business but he will find his old customers straying away from him and he will have lost contact with a large proportion of his clientele when the war is over and the great rush is expected to start for new automobiles.

An indication that some agents are in a defeatist grip is the fact that many policyholders that have been carrying collision insurance are renewing without such coverage. The aggressive agent is not only urging policyholders to continue to purchase collision insurance but is soliciting those who have not carried it in the past to do so now. It is true that the hazard is less but the rates have been brought down accordingly and the agent who will make the effort to persuade his customers to keep protected will be surprised at the favorable results he will get.

Agents in the western territory have been given an unusual opportunity to retain and even increase their collision

business in the so-called 80-20 collision form. It has a particularly timely appeal. Assured who may have been purchasing \$50 deductible coverage may feel that under present day driving conditions the danger of being involved in a wreck that would cost several hundred dollars is a good deal less than it was and they will be willing to take a chance. However, they would certainly be interested in a form of insurance that paid them 80% of every loss from the ground up if such insurance would cost them very little if any more than they had been paying for \$50 deductible. It would certainly require no salesmanship to convert a motorist who has been buying \$25 deductible to the 80-20 form.

The automobile results for 1942 were just about what were predicted early in the year. The grand total of automobile premiums of insurers of all types in 1942 amounted to about \$693,228,000. That was a decline of about \$139,953,000 from the all-time high total of \$833,181,226 in 1941. The decline was almost entirely accounted for in the stock fire classifica-

tion whose premiums dropped from \$277,010,601 to approximately \$144,727,000 and that was due to evaporation of finance business. The premiums last year were less than those in 1940 of \$716 million, but exceeded the 1939 record of \$645 million.

## Others Came Out Even

The other classifications of companies came out very close to even. The stock casualty premiums were down only a trifle from about \$293,200,000 to \$292,500,000. The stock full cover group to which was added this year West American, formerly carried in the stock fire classification, suffered a decline in premiums of from \$56,000,000 to about \$51,500,000. The mutual record for the two years in premium volume was almost identical, their premiums for 1942 being in the neighborhood of \$160,909,000 as compared with \$162,477,970 in 1941. The reciprocals and Loyds held their own very closely. The Loyds total was \$2,415,744 in 1942 and \$2,843,759 in 1941. The reciprocals dropped from \$41,612,541 in 1941 to \$41,080,706 last year.

The over-all loss ratio last year was almost precisely 50% as compared with 46.4 in 1941. The increase was due entirely to the stock fire group, which with the great decline in premiums had an adverse record in comparing losses paid and premiums written.

A significant indication that the slight decline that was suffered in the automobile casualty field last year was due principally to the rate reduction and that if it had not been for such a reduction there would have been an actual increase in premiums is the fact that the automobile property damage premiums in 1942 actually showed an increase as compared with the previous year. The property damage premiums of all types of insurers amounted to about \$114,050,000 in 1942, as compared with \$108,183,000 in 1941. That is an increase of about 5% and since there was no decrease in auto P.D. rates when the gasoline rationing rate reduction program was put in effect for B.I. it is reasonable to assume that there was actually an increase of about 5% in number of cars insured last year for the third party coverages.

A number of companies say that so far this year they are getting an increase in property damage premiums over a year ago although their auto B.I. premiums are down. That would indicate that on an item basis the record so far this year is somewhat better than holding its own compared with last year.

The B.I. premiums of all types of insurers last year amounted to about \$346,643,000 as compared with \$351,312,000, the decline being \$4,665,000 or about 1.3%.

## FIVE YEAR AUTOMOBILE INSURANCE EXPERIENCE EXHIBIT

	1942					1941					1940					1939					1938				
	Net	% of	Decrease	%	Paid	Loss	Net	% of	Loss		Net	% of	Loss			Net	% of	Loss			Net	% of	Loss		
	Prem.	Total	in Prem.	Decrease	Losses	Ratio	Prem.	Total	Ratio		Prem.	Total	Ratio			Prem.	Total	Ratio			Prem.	Total	Ratio		
	\$		\$	%	\$	%	\$		%		\$		%			\$		%			\$		%		
STOCK CASUALTY	292,562,378	42.4	-635,886	.21	127,840,875	43.3	293,198,264	35.2	45.5		258,522,431	36.1	42.9			246,856,210	38.3	42.1			254,402,692	42.7	42.6		
STOCK FULL COVER	51,532,661	7.6	-4,505,430	8.04	21,676,872	42.1	56,038,091	6.7	44		48,258,091	6.7	39.9			42,018,790	6.5	39.2			37,881,657	6.4	40.9		
STOCK FIRE	144,727,017	20.5	-132,283,584	47.7	111,193,935	76.7	277,010,601	33.2	50.6		235,937,210	32.8	43.8			191,697,422	29.8	42.5			150,862,035	25.2	57.7		
MUTUALS	160,909,505	23.2	-1,568,465	.96	65,090,907	40.4	162,477,970	19.5	41.7		137,476,119	19.3	41.3			128,132,451	19.8	39.1			120,605,503	20.2	40.1		
RECIPROCALLS-LOYDS	43,496,450	6.3	-959,850	2.2	18,305,091	42.1	44,456,300	5.4	45.7		36,800,795	5.1	45.3			36,411,720	5.6	41.4			32,420,003	5.5	46		
TOTAL	693,228,011	100	-139,953,215	16.8	344,107,680	49.6	833,181,226	100	46.4		716,994,646	100	42.9			645,116,593	100	41.5			596,171,890	100	46.1		

# Auto Business Withstands War Shock

## NEED STILL EXISTS—GRAPHIC COST COMPARISON GIVEN

By **CHARLES O. GOODWIN**  
Automobile Superintendent,  
Great American, Chicago

Was automobile insurance an unwilling stowaway at Pearl Harbor? The answer apparently depends upon the source of the premium income. Direct agency premiums seemingly have suffered only minor casualties, but finance business, in the way some of it was written, appears to have been torpedoed amidships, and bombed from above.

Enough of the 1942 experience figures are now available to justify some conclusions, even if not supported by immediate statistical breakdowns. The underwriting and statistical ends of the insurance business appear at times to have graduated from different, or unrelated, schools of thought.

The bumble bee illustrates quite clearly the difference between the statistical and underwriting schools of thought. According to aeronautic dynamics, the bumble bee cannot fly. His wings are too small and his body too big. But the poor bumble bee, lacking a technical education, does not know he cannot fly, so he just goes ahead and flies anyway.

### Intensely Speculative

The year 1942 was intensely speculative in an attempt to forecast the effect of the war upon the use of our automobiles and the insurance written thereon. What about gas and tire rationing—would they take millions of automobiles off the highways, or has the automobile become more of a basic necessity, and less of a luxury, in our way of life? It is now admitted, even by those directly in charge of conservation of our automobiles, that reducing the number of automobiles, to less than 20,000,000 passenger cars will disrupt seriously our necessary mode of living and thus hamper our war efforts.

### Less Than Half Insured

What will be the effect, therefore, of these 20,000,000 passenger cars on the automobile premium income? Divide the number of automobiles licensed in any state into the total automobile premiums written in that state and one will find the rather surprising result that apparently less than one-half of the automobiles licensed are actually insured. Reducing this to a simple insurance equation means that for every car laid up, or customer lost, there is another available prospect for automobile insurance.

Several conclusions are possible in this analysis—either one-half of all automobile owners are not insurance minded, or they feel they cannot afford automobile insurance, or they have not been shown that they cannot afford to go without automobile insurance. Apparently the last conclusion is the real one, and it appears that we, as insurance producers, have struck out with the bases loaded, or at least with the tying run on base.

### Lulled by Restrictions

On the other hand, there is good evidence that gas rationing, and the requested maximum speed limit of 35 miles an hour, combined with a reduced number of automobiles on the highways, have lulled many an automobile owner into a false belief that serious automobile accidents are rapidly decreasing.

And with this belief has come the thought, or perhaps hope, that automobile insurance is no longer needed.

It is true the trend of automobile accidents is downward, but deaths from automobile accidents in 1942 still ran into thousands, and the number of people injured in automobile accidents last year still exceeded by several times the total number of American soldiers wounded in the first world war. Every automobile underwriter has on his desk ample evidence that automobile accidents have not been reduced to the point where an automobile owner can afford to be without insurance protection. Newspapers record daily in any fair sized city the continued all too high number of automobile accidents, with their toll of deaths and injuries.

### One Gallon a Week Loss

Let us look at several automobile losses which could have occurred on a gas rationing of one gallon a week. A new automobile was delivered to our first individual at noon. He drove it out of the dealer's sales room and to an intersection a half block away. He did not see the STOP sign, half hidden by a parked car, and the resultant intersection collision damaged his new car over \$400.

The wife of a business man telephoned his office to ask him to stop on his way home and pick up a package. He did so, leaving his car at the curb, with the door open and the key in the lock. A man was seen to step into the car and drive it rapidly away. The car was never recovered.

### Burns Up in Garage

Another automobile owner said he put his car in his garage around 11 p. m., and about five o'clock the next morning a neighbor awakened him and told him his garage was on fire. Both the car and the garage were totally destroyed.

It is a rather common remark that automobile insurance rates are too high, so

let us take the intersection collision loss of our first individual. The amount of his \$400 partial collision loss would have paid the annual collision premium on his car for 15 years—or the normal lifetime of from three to five automobiles. The interest charged on a loan of \$400, the amount of the collision loss, would more than pay the annual collision premium, to say nothing of paying back the amount of the loan itself.

### Convincing Cost Figures

Comparing the cost of automobile insurance with the years we live, shows a striking picture. If a young man, upon coming 21 years of age, was presented with a new automobile costing \$1,000 and he should sustain a collision loss of \$667, or two-thirds the cost of his car, which is the maximum finance loan under existing regulations, the amount of his damage without collision insurance would pay the collision premiums on his car for at least 30 years, or until he was 51 years old. By that time no doubt he would be a grandfather and what an automobile insurance story he could tell his grandchildren.

### 30 to 1 Good Odds

30 to 1 are considered high odds in any man's horse race, and they are also good odds even when it comes to automobile collision insurance, because insurance "pays off" frequently, whereas many a horse only "also ran."

A good radio, heater, clock and cigarette lighter are classed as luxury equipment in an automobile, and yet the cost of these luxuries will pay the premiums on comprehensive and collision insurance on the average automobile for a longer period than the normal lifetime of the automobile insured.

In the casualty coverages the cost comparison continues just as surprising. In no other business, except automobile insurance business, can one purchase for a sum not exceeding the cost of a spare wheel and tire, the services of an attorney

who will give him legal advice, or defend him in court if need be, and win or lose, the attorney pays all costs. And if the automobile owner's pocket book has been punctured the spare wheel and tire have enough service in them to pay the full amount, or principle, of a promissory note up to \$5,000, including all interest and nothing to pay back.

### Good If Needed

And on the back of this promissory note is a guaranteed endorsement reading in fact, "This note is good up to \$10,000, if needed." Both of these amounts can be doubled, and even increased more than double, for a sum less than the cost of one tank full of gas. What a difference between the promissory note in an automobile insurance policy, in which the company agrees "to pay" on behalf of the insured, and the usual type of promissory note reading, "On Demand, I promise to pay!"

These are some of the answers to the questions about the high cost of automobile insurance—questions which can be answered intelligently because automobile insurance costs are comparable to most other automobile expenses. Reduction in collision and bodily injury premiums based on gas rationing are other answers and show an alert willingness of insurance to meet changing conditions as they arise.

### Commercial Car Problem

The foregoing comments refer mostly to private passenger automobile insurance problems. It is the commercial car insurance problem which is more serious than any other class under existing conditions. The inability to chart accurately commercial car changing hazards of exposure, of strange roads and unmarked curves and hills, of good weather changing to bad in an hour, of traffic and crazy drivers, plus types of automobile construction, unknown load stress, as well as many other factors—all of these combine to give the statistician some strange figures which sometimes look like doodling, and make the underwriter wonder if the squirrel in his whirling wheel may not have found the only real security from the cradle to the grave.

### Visualizes Truck Risk

I have often pondered on the possible effect upon a fire insurance underwriter, without any intimate knowledge of automobile truck insurance, should he wake up some morning in a Walt Disney world in which his fixed buildings and other property had grown legs during the night and gone for a walk into the country. Could he visualize with peace of mind his 10 story, fireproof building, situated at the corner of Main and First streets, ambling down some country lane, or sitting beside some babbling brook, instead of remaining in a safe and fixed spot next door to the fire station? Yet that is exactly what many a truck risk does, and rating it is supposed to be merely turning to the right page in the book and applying a certain group premium.

### Complications Arise

The individual truck risk often appears as an easy underwriting problem, but one or two trucks frequently offer more complications than a whole fleet, and often produce a much higher loss ratio. Between the spark plug fleet of five old trucks, producing scarcely enough premium to buy a set of new spark plugs for one car, up to the larger fleet operators—many of whom pay more insurance premiums on a single fleet than the total premium income of many commonly accepted good insurance agencies—lie a large number of

(CONTINUED ON PAGE 32)



C. O. Goodwin



"Under gas rationing, the odds may have been lower that you wouldn't have an accident—but that's no defense in this or any other court! The fact is—you did have an accident—SO PAY UP!"



## DESPITE ADVERSITIES IN AUTO FIELD

## Agency Leaders Take Practical View

THE NATIONAL UNDERWRITER has been interested in getting the viewpoints of a number of agents throughout the country as to the automobile situation and to secure if possible any recommendations or suggestions that they make. Agents naturally are confronted with a declining market due to gasoline rationing, the tire situation and the impossibility of getting new cars.

Alex H. Case of Case & Son of Marion, Kan., finds that the agency volume is down both as to property and liability compared with a year ago. There are a number of contributing factors to the

other advertising will help, but again the shortage of office help will prevent the adoption of an extensive advertising plan.

"I believe that the past year has seen a large part of the depreciation in automobile premiums take place and that this year, in spite of decreased rates that the volume of automobile premiums should be fairly well maintained by the average rural agent."

## W. J. WELSH

The redoubtable W. J. Welsh of Mann, Barnum, Kerdolff & Welsh of Kansas City, Mo., always has something worth while to say and in connection with automobile insurance he makes the following comment:

"Faced with the terrific loss of automobile premium volume by reason of several substantial rate reductions, we started several months ago on a program of automatically adding medical reimbursement and bail bond expense coverages to our liability policies. At the same time we increased our public liability limits to \$25,000/\$50,000 on any risk where the expiring policy carried a lower limit. In every case these improvements in protection were delivered to the assured at a lower total cost than that under the expiring policy. We made the delivery with the casual remark to the assured that he was indeed fortunate that automobile public liability and property damage rates had reduced to such an extent that we were able to give him, for less premium than he had paid last year, a type of broader protection that he had always needed.

## Value of Existing Coverage

"In the case of comprehensive and collision we have largely been able to keep our policies in force even though the car is little used or laid up entirely. In the latter event it is difficult to keep the collision in force except upon our recitation of decreased cost and the value of existing coverage in the event the car is taken out and used.

"Perhaps the most important and interesting procedure we have followed on automobile comprehensive is to leave the amounts of insurance (we use stated amount policies almost exclusively) at the same figure as the expiring policy and in some instances actually increasing the insurance values. This is on the theory that the appreciation of these values have at least offset all normal depreciation.

"There is little doubt that an auto-



CLIFF C. JONES

mobile boom will quickly follow the end of hostilities. It means that we agents will probably stay very close to our automobile policyholders. That fellow is going to own one or more new cars just as quickly as he can get them and he is going to hit the highways and take much needed vacations in his new car.

"Concurrently will be the birth of the new private passenger airplane and this latter insurance field will be new and tremendous."

## CLIFF C. JONES

Cliff C. Jones of R. B. Jones & Sons of Kansas City states that the automobile volume in his agency is only off a fraction under 8%. This, he said, has come about due to the fact that assured are now placed in the "A" classification because most of them drive their cars one-third or one-half what they did previously. He also finds that there is quite a market among people who did not formerly carry automobile insurance. The agency's producers are selling them. In other words, this particular class is now making plenty of money and they are all potential buyers. He states that the number of cars laid up in storage in the Kansas City territory due to gas rationing is small.

The accident frequency has declined somewhat although Mr. Jones believes there are as many cars on the street today as there were this time last year. However, speeders lose their rationing cards and owners seem to realize that if their car is only slightly damaged it may take weeks to make the repairs, so altogether his observation is that drivers are more careful. The agency is endeavoring to make up its loss in premiums due to these conditions by selling higher liability limits and that plan seems to be working out admirably.

## STUART RAGLAND

Stuart Ragland, Richmond, Va., of Tabb, Brockenbrough & Ragland, prominent in the National Association of Insurance Agents, says:

"As the editor of THE NATIONAL UNDERWRITER has so aptly said, war has dislocated the automobile business. Those of us who have considerable automobile business, particularly with dealers, were greatly concerned but those dealers who had some imagination, ingenuity, initiative, and energy to back it up have fared pretty well.

Strange though it may seem, I have put more new automobile business, particularly dealers' business, on my books in 1942 than in any recent year. Then I wrote quite a bit of other kinds of automobile business.

"I just don't know what is going to happen in 1943, and I am not going to attempt to prophesy. I would suggest that all insurance agents do as the captain of a ship would do. If he sees a storm coming, he trims his ship to meet the storm, he is alert and able to ride it out, and he takes advantage of any breaks that may come. He can also use his imagination.

## Getting New Customers

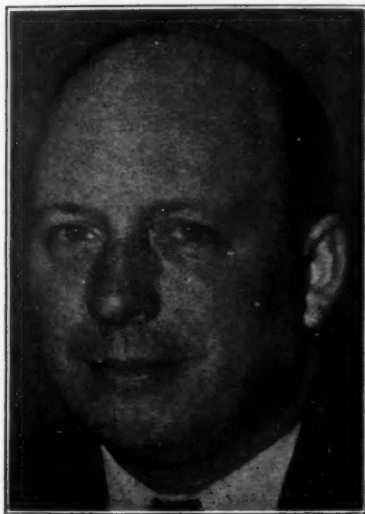
"Quite a few of us have written insurance on people who have bought it for the first time. Many of them have been workers in industrial plants; many have heretofore bought the cheap kind of insurance and now, just like the American public will always do, are seeking quality.

"A circular letter passed over my desk the other day describing a limited form of coverage. Hell's bells! don't waste your time trying to sell that kind of stuff. It has always been my theory that if I had time to solicit insurance, I would go out and solicit something worthwhile that would give a man full protection. I have seen more trouble and misunderstanding due to the selling of limited protection than anything else during my whole experience in the insurance business. I'll bet that kind of policy has carried more complaints to insurance departments than any other kind. In my judgment it is ridiculous to suggest limited coverage.

"Claims are higher, verdicts handed down by juries are higher, money is freer. Men who were getting \$25 a week are now making \$100 a week. Yes sir, the agent that has the opportunity should solicit automobile insurance, should suggest higher limits, and while he is seeing about this business write other personal insurance for the prospect. He should solicit other people, bringing their attention to the fact that they should have higher limits.

"Looking at it from a nation-wide standpoint, I would say that only 33 1/3 percent of automobile owners are insured. This is an opportunity to secure more business, especially on the B, C, and T ration card holders. Also give the A-card man an opportunity to buy it. That is another mistake we

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ALEX H. CASE

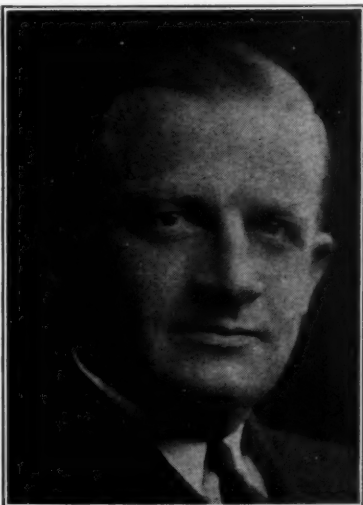
decline so it is difficult to tell which or what combination is the most to blame. He does believe, however, that if an agency had the will, the time, the manpower and the gasoline it could develop a substantial volume of new liability business. However, most agencies have lost in manpower to the point where all the time is utilized in serving renewal business and what new business comes across the board.

## Effect of Reduced Rates

Mr. Case said that the new speed regulations have awakened the companies as to what can be done in the way of minimum rates and premiums. The experience generally now is about what agents in the farm field realized was true generally in that section all along. Before the new rates were adopted the farm agents found very severe competition developing from the farm bureau specialty companies that were writing the business at rates considerably lower than the stock offices. Since stock companies have reduced their rates drastically the differential is much less and Mr. Case says his agency has been successful in securing several risks formerly carried in the farm specialty companies. He does say, however, that these companies did do a good job of selling the coverage and in the absence of active solicitation on the part of local agents they will continue to write the large volumes they have developed. As Mr. Case puts it, "It is just the old story of too late which has in so many instances characterized the efforts of the standard companies to recognize changed conditions."

## Effect of Gasoline Rationing

Mr. Case further says: "Gasoline rationing is going to play a large part in preventing the rural agent to make the contacts he should make at this time when money is plentiful in most farm communities and sales resistance weak. More direct mail and



W. J. WELSH



STUART RAGLAND

WITH EMPHASIS ON KEEPING CARS IN OPERATION

# War Intensifies Need for Auto Cover

By A. W. TOMPKINS

Agency Vice-president State Farm Mutual Automobile

We envisioned with alarm, following Pearl Harbor, the possibility of a large proportion of the automobiles going into "dead storage," but our people are awakening to the realization that this would cause a break-down in the transportation system and thus adversely affect the war effort.



A. W. Tompkins

To assure the operation of at least 20,000,000 automobiles we have accepted the rationing of automobile tires, gasoline and repair parts. We have largely eliminated "pleasure driving." We are driving under 35 miles per hour. Only a comparatively small percentage of automobiles have been placed in "dead storage." The automobile is an integral part of our transportation system. Joseph B. Eastman, director of the Office of Defense Transportation, on Feb. 25, particularly emphasized this fact when he told a group of traffic experts in New York that proper use of the privately owned automobile offers the only solution to the serious employee transportation problem.

According to an "Associated Press" dispatch: "There is a tendency on the part of quite a number of car owners," said Mr. Eastman, "to feel that the patriotic thing for them to do is to lay their cars up or use them as little as possible and ride the buses or street cars going to and from work. . . . It is important that car owners should understand that the public transportation system has a terrific load to carry and they need all the help that the private automobiles can give them."

## Accidents Still Occur

It is an axiom with automobile insurance men that as long as automobiles are operated, losses and accidents will occur.

During 1942, the State Farm Mutual Automobile handled 281,579 claims—one claim per each three policyholders. To state the matter another way, at the present time the average policyholder in this company, even though he is driving less miles per hour and fewer miles per year, is reporting a claim every three years.

The reduction in speed assures few catastrophe losses and fewer claims involving personal injuries, but pedestrian losses constitute a higher percentage of the personal injury claims. The mere fact that we drive more slowly and less miles is no guarantee that accidents will not occur. How many miles do you have to drive to have an accident? If every motorist having one accident during the past year had driven one mile less he would have had no accident, but that particular mile would have had to be the last mile immediately preceding his loss. Even though you reduce your driving 50%, you have no guarantee of being free of accidents. But if you eliminate only that last mile before the accident, you will be safe. Automobile insurance companies have thousands of losses where a matter of only 20 feet would have saved lives, injuries and millions of dollars.

The war has not eliminated, but rather it has intensified, the need for automobile insurance protection. As

long as losses are occasioned, good business principles demand adequate protection against such losses.

Many millions of our people have more to protect today than at any time in the past. Millions of men and women have larger incomes than ever before. Unemployment is at a low ebb. These automobile owners want what automobile insurance will do for them.

During the depression years in the thirties, a great many motorists who were financially embarrassed, unemployed, or working part-time considered themselves as being "judgment proof," but today this is no longer the situation—they have incomes, they are employed, and they need automobile insurance to adequately protect their interests and the welfare of themselves and their families.

War definitely intensifies the need for full coverage automobile protection. Last year in the State Farm Mutual of the total losses paid, 44% were collision losses and 29% comprehensive.

## Freezing of New Cars

The freezing of new automobiles has necessitated repairing those now owned. Prior to the war, a wrecked automobile, in the case of an accident, was used as a down-payment on a new one. This opportunity has disappeared. It is now imperative to have the necessary funds with which to make repairs.

Repair costs are higher today. Doctor and hospital bills are higher. Judgments are higher. Back in 1932, when incomes were low, juries just naturally rendered judgments in moderate terms. But today when you have 12 prosperous workmen or farmers in the jury box deciding an automobile case, they think of damages and judgments in more liberal amounts.

Collision insurance is especially important today, it not only saves the assured financial loss, but it gives him a priority on repair parts. Repair parts

are scarce and difficult to obtain. The average automobile dealer, without the income normally received from new automobile sales, must operate more efficiently and cannot carry the charge accounts as formerly. Visualize, for instance, two automobiles of the same make both wrecked with identical needs for new parts and identical costs. One man is in a position to pay the repair bill when the work is done because he has collision insurance. The other man has no collision insurance and wants the dealer to charge the job to him until it is convenient for him to pay. The dealer has only one of the necessary parts in stock. Which car will the dealer repair? The answer is obvious.

## Need for Comprehensive Coverage

Reduced driving as a result of gasoline and tire rationing, does not modify the need for comprehensive coverage. In fact, claim men are somewhat concerned about the possibility of an increase in the number of fire losses. The fire hazard increases as electrical insulation depreciates. Scarcity of parts may increase losses as a result of pilferage.

The purpose of gasoline and tire rationing is not to keep automobiles off the highways, but rather to keep them operating and thus avoid a break-down in our transportation system. Reduced driving conserves valuable metals, frees skilled labor and reduces highway maintenance. No one can object at this time to conserving automobiles—the device of group riding is a worthy project.

## Need Coverage in Ride Sharing

Workers are readily cooperating with the government "share the ride" program, and their interests require that they own bodily injury and property damage insurance with medical payment coverage for the protection of

## Stricter Gas Rationing in East Doesn't Cut Toll

Despite the effects of gasoline rationing, north Atlantic states had the smallest automobile accident fatality reduction of any section in 1942. The national average was 30% while automobile deaths in the north Atlantic states were down only 24%. South Atlantic states showed a 34% reduction, north central 33%, south central 37%, mountain 29% and Pacific Coast states 28%.

themselves, their passengers and their employees.

It is in the interest of the war effort to preserve and protect property values. The prospect says, "Why should I own automobile insurance? If my tires are stolen, you cannot buy me new ones. If my car is destroyed, very likely I will be unable to get another one." The master salesman who recognizes that the ownership of adequate automobile protection is in the interest of patriotism, will say, "All right, let's assume that your car is destroyed and another is not available. If you have no insurance you suffer a direct loss. Now, let's assume that you have complete protection with my company and your car is destroyed. We will send you our check covering your loss and you can go to any postoffice or bank and exchange the check for war bonds. In addition to being reimbursed for your loss, you thus make an investment in your country's security."

There are somewhere in the neighborhood of 16,000,000 automobile owners in the United States today who haven't seized the opportunity to protect themselves against the possibility of a loss through injury to the person and damage to the property of others. Can we not during this time of increased earning power, impress upon the uninsured motorist the obligation he owes to his country in its struggle for freedom and the things you and I hold dear?

## Turn Dollars to Bonds

Premium dollars received by insurance companies are being turned into government bonds to beat Hitler and the Japs. These premium dollars are building planes, ships, tanks, guns and the implements needed to wage warfare successfully. One need only look at the portfolios of insurance companies and note the large proportion of government bonds owned to appreciate the manner in which premium dollars are aiding the war effort. Prior to Pearl Harbor, we never dreamed these premium dollars would be needed temporarily to save all the precious things of life. Insurance policies were sold in peace times to protect the individual and the home. Today they provide our government with funds to protect the nation in time of war.

The ownership of "Full Coverage Automobile Insurance" on the part of the war worker directly contributes to the war effort. "Absenteeism" is directly increased when a war worker, having had an accident, must spend his time interviewing witnesses, making investigations and conferring with attorneys. This responsibility and function by the payment of a small amount, can be transferred to an insurance company, employing men skilled in these activities.

The government is engaged in a  
(CONTINUED ON PAGE 28)

## Medical Payments Coverage Takes Care of Bills Like These

A medical payments endorsement added to your automobile liability policy pays reasonable and necessary medical, surgical, ambulance, hospital and professional nursing expenses to each person injured while in, upon, entering or alighting from your automobile.

Although there are many ways accidents can happen for which you might not be legally liable, here is a good example why you need medical payments coverage:

A high-school boy took his father's car to a dance. When he and his two companions got into the car to drive home the windshield was steamed up and as he was attempting to make a right turn and clear the windshield at the same time, he



misjudged his distance and struck a parked car. At the impact, he "froze" at the wheel and the car continued on down the street, striking a utility pole.

The boy was cut over the left eye and the medical expenses amounted to \$5. One guest suffered a concussion of the head and the doctor bills amounted to \$22. The other guest suffered concussion, and lacerations of the upper lip, three upper



teeth were completely fractured and two lower teeth partially fractured. This young lady also received knee and other body injuries.

The total medical and dental expenses amounted to between \$1,200 and \$1,300.  
MORAL: Order medical payments protection today!



# Many Positive Factors in Auto Field

## COMPANY EXECUTIVES POINT TO SALES OPPORTUNITIES

Company executives interrogated by THE NATIONAL UNDERWRITER as to automobile conditions have expressed their views and given some interesting information. President V. V. Moulton, Auto-Owners of Lansing, Mich., states that his company is located in an area where there is a great influx of industrial employees to man the munitions plants. They have to have transportation by automobile and that means automobile insurance. President Moulton says that his company had between a 6 and 7% increase in volume in 1942 over the year before. Rates have been reduced all along the line so that the same number of cars insured in 1943 would mean a reduced premium. "It is interesting from our point of view," says President Moulton, "that the reduction in premiums so far is not as great as the percent of reduction in premium rates on each car."

Inasmuch as the Auto-Owners is an agency company, President Moulton finds that the agents have had a new set of problems in connection with the control of business. They report that policyholders are practical in not expecting to have personal calls made as much as before but are willing to do business over the telephone. Another favorable factor is that there is plenty of money in circulation which very materially simplifies the collection problem. It has taught the agent, President Moulton said, to adopt sound economic practices in dealing with policyholders, expecting the policyholders to pay without several calls. The agents, he finds, also are taking advantage of community gatherings such as church, social, lodge and political meetings to discuss their business problems with their prospects.

The Auto-Owners is using radio and other advertising media to inform the public regarding the services it is offering.

### M. L. LANDIS

M. L. Landis, counsel of Central Manufacturers Mutual of Van Wert, O., points out that the automobile has become such an integral part of the daily life of the average American citizen and he will do everything possible to preserve what he has.

Obviously, this attitude on the part of the ordinary citizen means that he will buy at least the basic automobile coverages so long as he can possibly continue to operate his car. In this category, of course, are the comprehensive coverages and at least bodily injury insurance. The reduced speeds, the limited amount of gasoline obtainable, the advancing age and physical condition of many cars, and a saner driving attitude on the part of the average insured will necessarily account for a substantially reduced premium income from the collision coverages. "We are already noticing the impact of these circumstances and anticipate a continuation of the effect of them until such time as the war is over."

### O.P.A. Ruling More Liberal

"One of the most wholesome and encouraging outlooks in opposition to the viewpoint just expressed is the recent announcement by the O.P.A. offices that Grade 2 tires will be available for those drivers having a gasoline allotment in excess of 240 miles per month; in other words, a majority of the "B" ration card holders.

"I do not know of any unique or trick ways for producers to hold their business. On the contrary, I am satisfied that the same tried and true methods of seeing every client on or before renewal time and exposing oneself to



"They were with him when he wrecked his car and he didn't have medical expense coverage."

new prospects, particularly those not yet insured by any company, will keep as much automobile volume on every agent's books as the uncontrollable conditions make available.

"Personally, I have felt that far too many agents waste precious time by manual and personal delivery of both new and renewal policies. If there is any single recommendation I could make to any agent, it would be that when the personal solicitation resulting in the order is concluded, a postscript statement should be made by the agent that delivery of the policy will follow by mail because of present conditions.

### Eliminate Waste Effort

"Those wise agents who educate their policyholders to this procedure are now resting comfortably. Those who misguided their clients to expect calls in person on trivial matters are suffering the consequences of their negligently conduct. There is certainly no more opportune time than right now for all agents to eliminate some of the unnecessary overhead of handling present clients and thus free themselves to carry the message of buying insurance to those upon whom they previously did not have time to call.

"Unquestionably, we are all primarily interested in just one thing right now, namely, to win the war, but in addition to that to also keep the home front as nearly normal as all of the needs for action in winning the war make possible."

### H. D. SAMMIS

H. D. Sammis, manager of the automobile department at the Fireman's Fund home office, traces some of the highlights of the automobile business as he sees them.

"Producers should capitalize on the gas rationing situation. Without it the cars were rapidly going off the road

payments coverage to offset the recent rate reductions in bodily injury, property damage, and collision. I know of many agents and brokers who automatically include this coverage without first discussing it with the assured; then upon delivery of the policy explain the importance of coverage and the reasons for including it.

"Life of car is being prolonged by greater care and the rationing restrictions. This care and reduced speed include better driving control, which has produced substantial reduction in highway fatalities.

### Further Life for Tires

"The other side of this question, so far as the companies are concerned, is the matter of smooth rubber, dim-out exposure, and increased repair costs. Recent easing of restrictions on the purchase of tires of reclaimed rubber and recaps has added further life to the cars,—helping both producers and the companies.

"The premium picture is very encouraging in the absence of any further ban on the west coast as applied to the eastern states. The premiums for the past year held up surprisingly well. The premiums for the first two months of this year have been very steady, with practically an equal amount for each of the two months and with February surprisingly exceeding February of last year. Incurred losses have steadily decreased the last several months as well as the number of claims per month. This leveled off somewhat in March; in fact some territories developed an increase in losses,—primarily collisions."

### WALTON H. GRIFFITH

Walton H. Griffith, assistant secretary America Fore at the head office, in charge of the automobile department, suggests eight points:

1. Except for finance business, a good many agents have found that their renewals of automobile lines have held up very well—with the casualty lines showing a far greater decline than the fire company coverages.

2. A good many agents have managed to salvage a satisfactory percentage of renewals from expirations on financed cars, but this requires a lot of work and an aggressive campaign to get worthwhile results.

3. Even though automobiles are being driven very little, agents who have

(CONTINUED ON PAGE 27)



In 1942 nearly 7 out of every 10 killed in automobile accidents were workers compared to 5 1/2 out over



every 10 in 1941. This means that the size of the average claim settlement or verdict will go up to replace the higher economic value of the workers, making higher limits on automobile liability policies imperative.

# Uses Automobile Quotation Chart

## Customer Provided with Complete Data

By DUDLEY F. GIBERSON

Head of Giberson Insurance Agency, Alton, Ill.

In 1937 one of our clients sustained a serious collision loss. It developed that he did not have collision insurance. We had previously recommended this protection orally in an interview. However, we had no definite proof of this in our files. Regardless of our previous efforts to sell collision insurance, we were severely criticised and censured by our policyholder for not calling this uninsured exposure to his attention in a forcible manner.

We experimented with several ideas and we finally devised three charts:

Present Insurance Chart, for private passenger cars.

Proposed Insurance Chart, for private passenger cars.

Commercial Vehicle Chart, for either present or proposed coverage.

### Threefold Scope of the Charts

Once convinced of the possible value of an automobile quotation chart, we desired to have the memorandum serve a threefold purpose: first, as an educational effort for all of our present automobile policyholders; secondly, as an improved sales technique; and the third use of the charts is as a record of the sale, whether the order is a renewal or new business.

We feel that a thorough, concise, and clear explanation of the automobile insurance the client purchases materially helps to eliminate misunderstandings. Therefore we desire that resume to cover information such as:

1. A complete description of the insurance coverage;
2. The limits of the respective insurance coverages; and
3. The cost of the respective types of automobile insurance.

We believe that anyone with normal intelligence can easily understand the information set forth in the charts which were designed by Charles F. Daniels of Joliet, Ill., agent and the writer. The reverse side of the form provides a space for underwriting information, etc.

### Two Chief Sources of New Business

There are two principal sources of new business. Most insurance men are of the opinion that the most important is an agency's present clientele. Obviously the second source is persons who make inquiries about automobile insurance or are simply solicited as prospective buyers. "Proposed Insurance Chart" is ideal to use in submitting information to either of these two groups. It is identical with the "Present Insurance Chart," except that it carries a different



DUDLEY F. GIBERSON

Founded 1908  
**THE GIBERSON INSURANCE AGENCY**  
 Complete Protection To Fit Your Needs  
 221 Market St. Alton, Illinois

### AUTOMOBILE INSURANCE CHART . . .

1941 Pontiac Fordor Sedan

#### Present Insurance:

FORM	DESCRIPTION OF COVERAGE	LIMITS	COST
PUBLIC LIABILITY	Insures your liability for bodily injuries to or death of members of the public.	\$ 5,000 Each Person \$10,000 Each Accident	\$10.25
PROP. DAMAGE LIABILITY	Insures your liability for damage to property of others.	\$ 5,000 Each Accident	\$ 5.25
OTHER CAR COVERAGE	The public liability and property damage policy extends to cover the assured and spouse while driving a borrowed private passenger car.		NO CHARGE
MEDICAL EXP. COVERAGE	Pays for individuals injured in your car, necessary medical, surgical, ambulance, hospital, nursing and funeral expenses regardless of your liability for such injuries.	\$ 500 Each Person	\$ 4.00
TRAILERS	The public liability and property damage policy extends to cover, without charge, the operation of your car with a trailer of the utility type, but not for business purposes.  Home or auto home trailer.	PL \$ Each Person PD \$ Each Accident	
COMPREHENSIVE	Insures against practically all types of loss or damage to your car (with the exception of damage by collision or by upset).	Actual value of automobile at the time of the loss.	\$ 6.00
COLLISION OR UPSET	Insures your own car against damage by collision with another object, movable or stationary, or by upset.	\$50 Deductible \$25 Deductible	\$ 19.00
TOWING COVERAGE	Towing and labor costs necessitated by the disablement of the automobile provided the labor is performed at place of disablement.	\$10 any one case	\$
		TOTAL	\$4.50

NOTE: This is a memorandum only—For complete details of coverage read your policy!  
 (Designed by D. F. Giberson, Alton, Ill., and C. F. Daniels, Chicago, Ill.)

This is the "Present Insurance Chart" used by the Giberson Agency. The "Proposed Coverage Chart" is identical except for the heading. In filling out the "Proposed Coverage Chart" where higher limits are proposed, the cost shown is the difference between the present insurance and the higher limits, which is indicated by typing in a line: "Additional premium for increased limits" at the bottom of each section.

For the above Pontiac, public liability limits of \$15,000/\$30,000 were proposed for an additional cost of only \$2.15. Increasing the property damage coverage to \$10,000 was recommended at a cost of only 53 cents, as well as \$1,000 medical expense coverage instead of \$500, the additional cost being \$2. If alternative proposals are advisable, they are indicated as "Plan I" and "Plan II."

Carbon copies of proposals are kept for the agency's file.

heading. The primary purpose is to tell the story in a simple, straightforward manner. The charts can be completed quickly, either by a typist in the underwriting department, or by the salesman as a sale progresses "over the counter."

Our method of using the "Proposed Insurance Chart" in connection with present customers is as a supplement to the "Present Insurance Chart" which we complete with each and every automobile order executed by our office. Our chief underwriter completes both the "Present Insurance Chart" at a "Proposed Coverage Chart" at the time the order is fulfilled. The latter chart is

frequently used to propose increased limits and important coverages which the customer does not carry.

The use of this memorandum for a new prospect is obvious. The information is completed in connection with any coverage which the agent desires to sell.

In the field of automobile insurance, the responsibility which an insurance agent must assume is substantial. Throughout the United States there is hardly a day that goes by which does not find some individual in some city involved in a law suit arising out of an automobile accident. In many cases

bodily injury and public liability limits are inadequate. Even if an insurance agent has not experienced this unpleasant, embarrassing predicament, it does not take much imagination to visualize how easily this might happen to any of us because all too frequently insurance is sold or bought with inadequate limits.

On the other hand, if you submit recommendations and the buyer declines to accept the suggestion, the responsibility is his. The point we desire to make is this: An agent may make proper suggestions, but fail to have a written record of the recommendations. In the event of a question, the lack of definite proof may leave an agent in a spot. A carbon copy of the proposal in the agents' file is readily available to meet such situations.

In addition to the three main advantages that we have experienced from this sales procedure for automobile insurance, there are other benefits. We cite one example. We have found that the charts are of great help in introducing a new coverage, such as last year when the medical reimbursement insurance was first developed. For that matter we are still using the chart to push this coverage because even at this time not all of our policyholders have purchased this very desirable protection.

### Results of the Experiment

As everyone knows, the "proof of the pudding is in the eating," and this holds true as far as this experiment is concerned. The results that we have experienced in the past year may be briefly stated:

(1) We believe that all of our automobile insurance policyholders have a reasonably clear idea of the exact coverage which they purchased, as well as the other important details;

(2) New automobile sales during the past year have been in excess of \$1,000; and

(3) During the past two years we have not had a single complication arise involving a misunderstanding as to the automobile insurance purchased from our office.

The use of these automobile insurance charts led to the decision one year ago to make an accurate resume of every casualty policy, inland marine policy, and bond written by our office. We are proceeding on the theory that "what's sauce for the goose is also sauce for the gander." We still believe that this is wise decision and will ultimately pay handsome dividends to us!

### AUTOMOBILE INSURANCE QUOTATION

COMMERCIAL CAR FORM

FOR \_\_\_\_\_

TRUCK \_\_\_\_\_

TRAILER \_\_\_\_\_

Date \_\_\_\_\_

FORM	DESCRIPTION OF COVERAGE	LIMITS	COST
PUBLIC LIABILITY	Insures your liability for bodily injuries to or death of members of the public.	\$ Each Person \$ Each Accident	\$
PROPERTY DAMAGE LIABILITY	Insures your liability for damage to property of others.	\$ Each Accident	\$
OTHER CAR COVERAGE	Public and property damage liability insurance for the operation of automobile which you own.	\$ Each Person \$ Each Accident	\$
MEDICAL EXP. COVERAGE	Insures other individuals injured in your car, necessary medical, surgical, ambulance, hospital, nursing and funeral expenses regardless of your liability for such injuries.	Actual Cash Value \$ Each Person \$ Each Accident	\$
COLLISION OR UPSET	Insures your vehicle against loss or damage caused by: (a) Fire, lightning, transportation, theft, or theft while in transit; (b) Tornado, cyclone, wind, hail, earthquake, explosion and other damage; (c) Flood and rising water; (d) Ice, rain, snow, or other weather conditions; (e) Electrical or mechanical breakdown or failure; (f) Mechanical breakdown or failure of any part of the vehicle; (g) Mechanical breakdown or failure of any part of the engine; (h) Mechanical breakdown or failure of any part of the transmission; (i) Mechanical breakdown or failure of any part of the chassis; (j) Mechanical breakdown or failure of any part of the body; (k) Mechanical breakdown or failure of any part of the wheels and tires; (l) Mechanical breakdown or failure of any part of the suspension; (m) Mechanical breakdown or failure of any part of the steering; (n) Mechanical breakdown or failure of any part of the brakes; (o) Mechanical breakdown or failure of any part of the lights; (p) Mechanical breakdown or failure of any part of the horn; (q) Mechanical breakdown or failure of any part of the windshield wipers; (r) Mechanical breakdown or failure of any part of the door locks; (s) Mechanical breakdown or failure of any part of the door hinges; (t) Mechanical breakdown or failure of any part of the door latches; (u) Mechanical breakdown or failure of any part of the door trim; (v) Mechanical breakdown or failure of any part of the door weatherstripping; (w) Mechanical breakdown or failure of any part of the door seals; (x) Mechanical breakdown or failure of any part of the door gaskets; (y) Mechanical breakdown or failure of any part of the door hinges and latches; (z) Mechanical breakdown or failure of any part of the door trim and weatherstripping.	\$10 any one case	\$
		TOTAL	\$

NOTE: This is a memorandum only—For complete details of coverage read your policy!  
 (Designed by D. F. Giberson, Alton, Ill., and C. F. Daniels, Chicago, Ill.)

This commercial car chart is used by Mr. Giberson for both present and proposed coverage.





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WANT THE BEST



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rience in the handling of claims for  
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# Automobile Producing Opportunities

By N. C. FLANAGIN

Second Vice-president, Lumbermen's Mutual Casualty

## Agents Can Develop Potential Business

It is not easy to define the present automobile insurance situation. There is no single automobile production problem. Gas rationing and the war effort have presented many new problems both in the solicitation of new business and in handling renewals. These problems vary in intensity in different territories.

No section of the country has been harder hit than the east and southeast with the ban on pleasure car driving recently eased to an allowance of 1½ gallons. Yet in many sections of the east automobile insurance rates have in the past been substantially higher than in most of the remainder of the country. As a result, although agents and companies in that section have suffered along with other sections due to the rate reductions the unit of premium per car is still higher and would represent to the average middle western agent a premium reminiscent of the "good old days."

### Situation on Pacific Coast

In the middle west gasoline has been available and as a result the outlook for automobile insurance has been better, but rates, particularly in rural areas, are extremely low. The amount of automobile travel on the Pacific Coast gives every appearance of normal times to the casual observer. Due perhaps to the fact that the populace has always relied more on the automobile than on public means of transportation and to the high percentage of defense workers who for the most part are receiving B or C ration cards, automobile traffic in Pacific Coast cities shows no noticeable decline and contrasts strongly with the scene one encounters along the Atlantic seaboard on many of the main highways.

However, there are certain general factors common to all territories. All have experienced substantial rate reductions with the resulting reduction in premium income for companies and decrease in commission income for agents. In all territories the number of automobile policyholders on the books of agents has held up far better than most students of the business expected a year ago. Even in the east where conditions have been particularly acute most agents report that the number of new policies they are currently writing compares favorably with the number they were putting on their books during the same months of 1941. Many agents are actually showing an increase in the number of policies in force, their new policies

more than offsetting their cancellations and non-renewals.

In all territories there has been a substantial decrease in the number of agents aggressively soliciting automobile insurance. The armed services have taken many. A bigger factor, however, has been the tendency on the part of many agents to secure positions in defense plants. These men are in the main attempting to hold their renewals but they are not soliciting new business and are not in a position to offset the loss of their renew-

with enthusiasm, and he is finding plenty of it available.

The farsighted thinking that this agent is doing is important. Unquestionably agents who are putting on automobile insurance at today's low rate levels are building for themselves a business which inevitably must bring to them a substantial increase in commission income when rates return to a more normal level.

Most agents who are going after new business aggressively are finding the uninsured driver one of their greatest

lation face the greatest opportunity in their career to substantially increase the number of their policyholders and their volume of business. With the present low rates in force the uninsured drivers who now, in view of this legislation, have an added reason for carrying automobile insurance protection should be more easily sold.

Even in other states a real opportunity to sell the uninsured driver exists. One agent of my acquaintance has catalogued nine reasons why people need automobile insurance today. His list reads as follows:

### Why People Need Insurance

1. When an accident occurs today more people are apt to be injured due to the share the ride program.
2. The loss per accident is apt to be greater. Jury awards are increasing and the cost of labor and parts is up.
3. Cars are older and because of old equipment accidents are more likely to occur.
4. Tires are deteriorating and that increases the driving hazard.
5. There is greater congestion near defense plants which increases the accident exposure.
6. Police forces have their man power problems with the result that enforcement and traffic supervision is not up to the standards which existed prior to the war.

### People Have More to Protect

7. Most people have more to protect. The worker who is building a nest egg in war bonds can have this wiped out overnight if he fails to carry automobile insurance.
8. In coast areas dim-outs have increased night accidents. Many pedestrians are being run down due to the lack of proper lighting.
9. Motorists have a public duty to keep their cars rolling. The Defense Transportation Committee has estimated that it is essential to the war economy and to the civilian economy to keep between 20,000,000 and 25,000,000 cars on the highway to avoid overstraining our other transportation facilities. Even though gas rations have been reduced the people should continue to drive their cars because cars deteriorate rapidly when not in use. This agent carries with him a letter from a local automobile dealer in his community giving the exact cost of putting a car in proper shape to be stored. When most people learn the cost of proper maintenance on a stored car they will agree that it is not only more patriotic to keep the car rolling but far cheaper as well.

### Problems in Renewals

In addition to the uninsured market many agents are devoting more time to the commercial car market. The registration of commercial vehicles has held up extremely well and a worthwhile volume of this business can be developed by agents who concentrate their efforts on this type of prospect.

The conditions prevailing under gas rationing have introduced new problems in holding renewal business. Even in normal times renewals constitute three-quarters of the agent's income and are his capital in his business. Under present day conditions new business must of necessity take a second place while the agent is short of man power, unable to get sufficient gasoline or to invest substantial sums in advertising.

To keep in touch with present policyholders the agent must rely more on letters and the telephone. He has to mail many renewals that he would like to deliver in person and he has to spend less

(CONTINUED ON PAGE 19)

Mr. Flanagan was asked to contribute to this number due to his extensive observations in automobile insurance, his contacts with agents throughout the country and the opportunities that he has had to discuss with department heads who are working with agents in the field. He thus gets a bird's eye view of the situation that will be of interest to all readers.

als. In addition, many agents are suffering from defeatism. Although they are still in the insurance business they are not active from a new business standpoint. This situation is adversely affecting the production results of the carriers. It may, however, spell opportunity for live agents for certainly the competition for new business is far less today than it has been in the memory of those in the automobile insurance field.

### Importance of Morale

We are told that morale wins wars. Certainly those agents who maintain their morale are still securing a substantial number of new automobile insurance policies. One agent tells me that he gives himself a pep talk periodically to keep himself enthusiastic about securing new business. He estimates that the new average automobile account he secures today will remain in force at least five years. He also reasons that although the rates today are extremely low they must inevitably go up to approximately twice their present level when the war ends and the traffic on our streets and highways increases materially. He says therefore that when he solicits a \$20 bodily injury and property damage premium at today's rate level he thinks of that prospect in terms of a \$160 automobile premium (two years at \$20 and three years at \$40). Even if he secures no other business from that policyholder, as he will in a high percentage of cases, he thinks of that prospect entirely in terms of a potential premium of \$160. As long as he keeps that picture in his mind he is able to go after new business

opportunities. In nearly all states a high percentage of the drivers still on our streets and highways are uninsured. Many of these drivers are earning more money today than ever before. They have for the most part cleaned up their debts. Many are buying homes. A high percentage are buying war bonds on a salary deduction basis. They have more to protect than ever before and the cost of automobile insurance is now so low that anyone can afford it.

The uninsured market is not an easy one to solicit. The average agent has found most of his clientele in the past among the white collar class. Going after the industrial worker involves many drastic changes in his methods of solicitation. Men work on various shifts. They are harder to reach. Some do not have telephones. But in this market the average agent finds little competition and once a foothold is secured in one plant through three or four policyholders who will act as "bell cows," additional business can frequently be secured in sizable volume by working from them to their friends and acquaintances.

### Financial Responsibility

The introduction of strict financial responsibility acts in several states patterned after the New York legislation will undoubtedly focus the attention of agents in those states on the uninsured driver. Such legislation has recently been enacted in Oregon and Indiana and several other states have bills pending. If we can judge from the experience in New Hampshire and New York agents in states now enacting this legis-



Traffic congestion in Washington, D. C., and in other war centers has increased pedestrian accidents. Two women were struck by a motorist, who claimed his brakes did not hold. He was arrested, charged with failing to give right of way of pedestrians.—Acme Newspictures.



# EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON . . . PRESIDENT

SATISFACTORILY SERVING AUTOMOTIVE UNDERWRITERS  
SINCE THE DAYS WHEN REINSURANCE WAS ONLY  
AN OCCASIONAL CONVENIENCE

HOME OFFICE  
KANSAS CITY  
MISSOURI

BRANCH OFFICES  
NEW YORK  
CHICAGO  
SAN FRANCISCO  
LOS ANGELES

# Now Is Time to Take Stock and Readjust Sights

By W. R. RUEGNITZ

*"Experience shows how incredibly difficult it is to get men to encourage the principle of originality; they will admit it in theory, but in practice the old error returns again."*

The relatively brief history of automobile insurance may be said to bear out that observation by Walter Bagehot in his essay on "Physics and Politics." Being a new department of the fire business, one that has expanded rapidly, there has been a continuing need of originality, with, in the view of this writer, a continuing lack of its encouragement. Progress there has been of course, but it seems almost to have been made willy nilly, forced upon the insurers by the automobiles.

Take, for example, the dealer business; have we at long last rationalized its requirements? If you happen to think so, explain why we still retain the certificate form, the expense of which has always exceeded the premium taken; why dealer form No. 1A is used

or three hours' time of an expert policy-writer. Such being the case one would suppose that, once the "no endorsement" idea was conceived it must have received immediate encouragement. Actually it took a couple of years to persuade the authorities to approve its adoption. By now, of course, the authorities are accustomed to that innovation, but are there perhaps still further improvements to which they are turning a deaf ear? Not unlikely, improved though the policy has been, it is still lagging behind automobile development. The fire policy improvements now being adopted were proposed not less than a dozen years ago.

For another example consider the "actual value" idea. What a time was had selling the companies that one! This writer recalls with chagrin that he himself held out against it a couple of years, though after all, that was a relatively short time. Some agents and brokers (mostly in the larger cities, by the way) withstood regeneration even

windstorm and the rest—but collision presents a different case. Flat rates, this deponent has long been persuaded, are not warrantable in respect of the collision covers; in view of the wide range of driving ability and loss experience, schedule rating, for collision, is far more clearly indicated. Our present flat premium collision schedules since they make no distinction between the accident-prone and the accident-free, are essentially (and intolerably) discriminatory; and here again old error has witnessed unduly long persistence. The collision structure is ripe ("and rotten ripe") for change.

Other instances might be cited but perhaps these are enough. Automobile insurance must of course change as does the world we live in. Henry Ford opined recently that automobile evolution and development might continue at least another ten years, and on that reckoning our insurance forms and rules must be still far short of stabilization. Our original thinkers are still in need of encouragement. Referring again to Mentor Bagehot, it is of interest to note that the passage quoted is to be found in a set of his works published in 1891 by the Travelers of Hartford. It may well be that the commanding position



W. R. RUEGNITZ

of that company today is due, as evidenced by that publication, to an unusual aptitude for encouraging that self-same "principle of originality."

W. R. Ruegnitz, manager of the automobile department of Buffalo at its home office, contributes what he terms an essay. It is more or less a story of his own experience as an innovator. For instance, the automobile dealer form 1-A was devised by Mr. Ruegnitz while he was with Continental. At that time J. R. Wilbur was vice-president in charge of the western department. Mr. Ruegnitz did not succeed in persuading him that it was logical. He was more successful with J. C. Harding, western manager of the Springfield F. & M. when he went with that company in the west. That company brought out the form as a copyrighted policy, "The Springfield Dealer Book," and with it built up a large automobile dealer business in the west and made an underwriting profit. The Springfield used that form 10 years before it was adopted by the National Automobile Underwriters Association in the western field. During the time that the Springfield wrote this form in the western department it did not use it at the home office. In like manner, Form 1-A has been in the western manuals for over 10 years without having been placed in the eastern manuals.

It is of interest to know that Mr. Ruegnitz devised the "no endorsement" automobile policy. H. A. Miller, now with the Western Underwriters Association and at that time assistant manager in the western department of North America, had the same idea at that time. His policy did not get into print until some months after the Springfield had brought out Mr. Ruegnitz' form. Mr. Harding confined the advertisement of the policy to a single announcement. Mr. Ruegnitz declares that had he seen fit to undertake an aggressive advertising campaign he would have developed much business on account of it.

in the west but not in the east; why the minimum deposit premium for the No. 3 form is \$25 in Indiana but \$50 in New York state. And explain why, after applying the Dean schedule to determine fire contents rates, the automobile insurers immediately lop off large fractions thereof upon writing the dealers' policies; and why that fraction is 50% in Indiana but 33% in New York. Either the Dean schedule or our automobile manuals are off somewhere.

Before adducing other instances, why not face the fact that these are dull times in our automobile departments? No new cars are being built; 2,000,000 cars went off the road last year; the cars remaining in use are depreciating; collision rates are down owing to rationing; many owners have laid up their cars. Consequently premiums are off and no help for it. In these circumstances, to exhort agents to strive for business is publicly to offend intelligence, say nothing of kidding ourselves. Why not, instead, employ our respite to take stock and clean house?

The automobile policy of today is perhaps the best finished of any of the fire companies' policies. Time was when the "standard" policy covered fire, lightning and transportation only, when to write up a policy including theft, windstorm and collision required pasting on anywhere from three to a dozen endorsements. We had endorsements for theft, for collision, for windstorm, for each of the collision deductibles, for fire extinguisher credit, lock credit, bumper credit. We had in fact whole books of endorsements; and to write an automobile policy sometimes took two

until the second world war and inflation. With that evil upon us those die-hards suddenly became converts, but now it is the company underwriters that cling to the old error. The "actual value" idea presupposed values reasonably stabilized, or at any rate not ballooning; under present conditions adherence to the "actual value" policy bids fair to be ruinously expensive.

And our finance business! Now is a heaven-sent time to clean that house, before some Thurman Arnold takes it into mind to do it for us. We have witnessed not a few efforts, such as former Insurance Director Ernest Palmer's, which sought that objective and which one and all failed; here again the old error always returned. But why should the difficulties of the finance problem be deemed insuperable? The automobile underwriters are not defeatists. This thesis, since it deals primarily with resistance to innovation, does not speculate problem solutions, but the suggestion is offered that this problem might be solved by borrowing a form from the inland marine underwriters. Why not adapt the installment merchandise floater form, write the finance business at flat rates according to devised schedules and pay the agents not to exceed 10% commission?

Up to now our automobile rules and rates have assumed, for the most part, that the customers are all cast in one mould. That is, our rates are nearly all of the flat variety, almost none made by schedule. Now it is readily demonstrable that flat rates are the most convenient, and cheapest for the customers, in respect of the lesser hazards—fire, theft,



## Rationed?

Our new Comprehensive Personal and Automobile Liability Policy stands out like a "C" card. Reduced premiums, reduced volume—agency problems today—it fully answers. Truly comprehensive, its salability goes beyond "A" card arguments.

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**The Western Fire Insurance Co.**  
**The Western Casualty and Surety Co.**  
Fort Scott, Kansas





# COME AND GET IT!



## HERE'S YOUR PLAN TO SUCCEED WITH WARTIME INSURANCE SALES

### Financial Statement

As of December 31, 1942, as reported to the Department of Insurance, State of Illinois

All bonds amortized. All stocks at market. Market values of bonds exceed the values used in this statement.

#### ASSETS

Cash in banks.....	\$ 3,030,598.24
U. S. Government Bonds.....	8,206,823.76
State, county and municipal bonds.....	296,568.84
Public utility and other bonds.....	246,942.29
Stocks .....	378,300.00
First mortgage loans on real estate.....	92,069.70
Real estate .....	109,198.03
Premiums in transmission.....	419,274.36
Accrued interest and other assets.....	27,930.37
<b>Total admitted assets.....</b>	<b>\$12,807,705.59</b>

#### LIABILITIES

Reserve for losses and adjusting expenses..	\$ 6,241,673.19
Reserve for unearned premiums.....	2,536,188.00
Reserve for taxes and expenses.....	486,433.57
Reserve for dividends and unassigned funds	1,043,410.83
Reserve for contingencies.....	250,000.00
<b>Total liabilities except capital.....</b>	<b>\$10,557,705.59</b>
Capital stock .....	\$ 750,000.00
Net surplus .....	1,500,000.00
Surplus as regards policyholders.....	2,250,000.00
<b>Total .....</b>	<b>\$12,807,705.59</b>

Securities carried at \$472,479.31 in the above statement are deposited as required by law.

AMICO's sales building plans have helped agents increase their business volume notwithstanding present conditions in the automobile field. With the aid of these sales helps and the other advantages offered them, AMICO agents have broken all previous records in their sales history.

Success stories with the AMICO *miscellaneous* lines are coming from all over the country. The AMICO new \$10 Non-Occupational Accident Policy is boosting premiums and opening opportunities for other forms of insurance.

#### 1943 IS A YEAR OF MORE BUSINESS FOR AMICO AGENTS BECAUSE...

AMICO is a multiple-line participating stock company that always has paid its policyholders substantial dividends at the end of their policy terms. AMICO's Plans of Action set a course of work to do, and how to regulate and route your calls to save time and tires. They reach the buying public and indicate the ways to make insurance fit into a streamlined war budget.

AMICO's Sales Helps and Safety Engineering and Claim Service get results and help you get and hold the business.

Here is the sales promotion help for you. An ever increasing number of prospects want the broad forms of protection that AMICO has provided at a saving. Find out about the American Motorists franchise in your community. Just write on your letterhead today.



CHICAGO: Sheridan at Lawrence  
NEW YORK CITY: 342 Madison Avenue  
PHILADELPHIA: 12 S. 12th Street  
BOSTON: 260 Tremont Street

LOS ANGELES: Rives-Strong Building  
ATLANTA: Kemper Insurance Building  
SAN FRANCISCO: Russ Building  
SYRACUSE: Syracuse-Kemper Insurance Bldg.

**A Nationwide Company writing all forms of Casualty  
Insurance and Fidelity and Surety Bonds.**

# Automobile Situation is Not Entirely Drab

By **LESLIE F. TILLINGHAST**  
Assistant Secretary Great American Indemnity

Automobile liability production is off. The drastic rate reductions of past months have had a telling effect on premium income. This is a development that was fully expected, and hard on incomes as it is, should cause no surprise. There are other elements in the automobile picture, however, which may have an ameliorating tendency, and an examination of them may be helpful.

Within a recent two days, three agents from different cities on the Atlantic seaboard told me that, contrary to expectations, they were continuing to renew their private passenger automobile business with practically no loss of policies. They expressed wonderment at the phenomenon; all stated that they had done nothing unusual and that there was no special cause to which they could attribute this result—"the policies merely renewed of their own accord." One said that the number of policies in his office had actually increased.

## People Continue to Operate Cars

Here is factual evidence that people are continuing to operate their cars in spite of gasoline and tire rationing as well as a temporary ban on pleasure driving. If this condition prevails in the eastern territory, where rationing is the most severe, certainly it is a reasonable assumption that people in other sections of the country are not establishing a worse record. How wrong all we prophets of doom who prognosticated wholesale lay-ups have proved to be! We should have known better the passionate affection that the American motorist holds for his car: I'll give up my sugar and butter

And stop eating beef and roast veal,  
But leave me an ounce of petrol  
To drive my automobile.

or—  
There is no stronger marriage  
Than man's to the horseless carriage.

Again looking to the eastern seaboard we find that 1943 automobile registrations in Massachusetts at March 1, had already equalled 90% of the 1942 total. In New York State the 1943 private passenger registration at March 1 is 78% of what it was at the same date last year against an advance estimate of 45%, and the commercial car registration is 92%. Registrations are still coming in, and authorities look for a further upsurge after July 1, when the fee will be prorated.

## Prospects Still to Be Found

Dry as they may be, these statistics indicate that there are still prospects for automobile insurance, and if one bears in mind the estimate that 60% of the country's auto owners still do not carry bodily injury and property damage, one does not need any further evidence that insurance salesmen have something to do besides crying over the sorry plight of the automobile business is coming to. True enough that rate reductions have made a hole in the agent's pocketbook, but the same rate reductions should simplify the task of selling the remaining 60% and of offsetting, in part at least, the loss in income caused by the rate cut.

Easy enough, you say, to theorize about selling the uninsured 60%, but hooing and doing are two different things, and that 60% outer circle is tough. Well, I remember not so long ago when people who carried liability insurance comprised only a little better than 20% of the total car owners and what is now an uninsured 60%

closely approached 80%. That 80% looked just as tough as the 60% does now.

Stricter financial responsibility laws have aided materially in the sale of liability insurance—particularly the type patterned after the New Hampshire law. For example, New York adopted such a law, which took effect Jan. 1, 1942. A comparison of combined New York State premium income for the majority of companies, stock and non stock, for the four months' period beginning before and ending after the law's effective date shows what happened. The premiums are comparable because they are based on rates substantially the same that were in effect prior to the drastic reductions of summer, 1942:

	1940	1941	1942
Nov. ....	\$1,821,000	\$2,906,000	.....
Dec. ....	2,343,000	4,765,000	.....
Jan. ....	.....	3,250,000	\$11,389,000
Feb. ....	.....	2,276,000	5,334,000

So far in 1943, four additional states, Indiana, Michigan, Oregon, and Utah, have passed similar laws, and other states are considering them. This legislation will take effect within the next several months, and if the experience in New Hampshire and New York is any criterion, that aforementioned 60% figure is about to undergo further amputation. But we must not look to financial responsibility laws to do our selling. Insurance men will have to provide the thought and energy to fire the sales ammunition. Even without such helpful laws, there is still plenty of good ammunition, and, as the Old Soak used to say, I'll tell you why.

To begin with, automobile liability insurance is needed now more than ever. While fewer miles are being driven, the accident rate per mile has increased substantially. For example, miles driven in New York State in 1942 were 22.5% less than in 1941, but the rate of accident reduction was only 8.4%. Furthermore, because of ride-sharing, the average car is carrying more passengers and is consequently exposed to a greater potential bodily injury liability. Jury awards are higher, not to mention the effect of increased costs of labor and materials on the property damage hazard. Couple these conditions with the tremendous reduction in premiums and a car owner has little argument left for not carrying insurance—and for not carrying it in adequate amount.

## Property Damage Angle

In speaking of adequacy it seems desirable to emphasize the property damage angle. We have for years been plugging higher limits for bodily injury, and have had a measure of success. But little stress has been laid on the P.D., with the result that the great majority of policies are still written for the \$5,000 limit. Yet, it is not extraordinary for a passenger car to involve a large truck in an accident. If such a truck should burn, or otherwise destroy its valuable cargo, the resulting loss might well exceed several times \$5,000. As a matter of fact, I recall a case—even before long distance trucking became widespread—where an automobile parked on a hillside slipped its brakes and broke off a fire hydrant, resulting in the flooding of a cellar where more than \$30,000 worth of silk was stored. Therefore, in selling higher limits, let us remember to stress the property damage as well as the bodily injury.

This article would not be complete without a reference to medical payments coverage. If a person is injured while riding in your car, it is natural to want to absorb the expense of the injury, even if you are not at fault. Today, when we are all riding in each other's cars more than ever, the likeli-

hood of such accidents has increased by leaps and bounds. Defense workers are riding with each other; people are doubling up to go shopping, to go to church, the movies, lodge meetings, and what not. Here, then, is a definite need for medical payments' protection.

In talking with agents, I have found some who have enjoyed considerable success in selling higher limits and medical payments. Those who have accomplished most have simply written their renewals to include the enlarged coverage, and, after a brief word of explanation, have had practically no difficulty in making it stick. These agents say they have been helped no end by being able to show that the policyholder is getting much broader protection for a smaller premium than he previously paid.

I must confess, too, that I have run across one or two agents who seemed to look upon medical payments and the drive for higher limits as a mere device for getting more premiums. Let us admit that these additions do produce a greater income for agent and company; because that is so does not destroy the benefits to the insurance buyer. The fact remains that the policyholder is now able to buy more au-



**LESLIE F. TILLINGHAST**

tomobile insurance protection for his money than ever before, and I should (CONTINUED ON PAGE 19)



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# PARAMOUNT

The company as new as tomorrow... with facilities for fire and allied lines to which have been added Automobile and Inland Marine coverages for the convenience of its aggressive agency force in placing business.

## PARAMOUNT FIRE INSURANCE COMPANY

91 WILLIAM STREET, NEW YORK



## Some Agents Successful in Auto Business Today

By S. W. SCHELLENGER

Sales Promotion Manager  
Buckeye Union Casualty

Automobile insurance will continue to be purchased as long as there are automobiles in operation. The American public has been too well sold by the insurance industry on the necessity for protection for the future to be otherwise. Any analysis of today's insurance market must, first of all, give full credence to the above fact. Many years of successful promotion have gone into the development of the automobile insurance business. The result of this public education has been to establish the automobile line as a major and primary form of protection.

### What About 1943 Results?

Having oriented in our minds the place of automobile insurance in our national economy, we proceed to consider the question: What about the possibilities for 1943? A few conclusions are obvious.

1. That the national automobile insurance volume will be reduced during 1943 is admitted readily. The question is how much will the reduction be? Some observers point to the reduction in the number of automobile registrations, and say that insurance sales will follow in proportion. This opinion would appear erroneous. The volume of automobile insurance need not be reduced in the same proportion with the reduction in registrations. A good percentage of these cars is being retired from the road because of age or for financial reasons of the owners. A large percentage of that group was previously uninsured.

2. Through rate reduction, even though all business were renewed, the national volume would suffer between 20% and 25%. This percentage estimate allows, also, for the lowered collision premiums, as all cars go into an older age group with a reduced premium.

### Problem of the Producer

These are negative factors which must be faced. In order to consider what, if anything, can be done to improve the situation, suppose we consider the problem from the viewpoint of the individual producer.

It must be admitted that some agents have already suffered to a greater extent than others, dependent upon the age of the agent's clientele. Younger producers who had a good percentage of their business among a younger clientele have suffered to the greatest extent due to their clients being drawn into the service. Agencies established for a longer period with a diversified clientele have suffered

to a less extent because a smaller percentage of their customers have entered the service.

This is a situation which is beyond control, with one exception. Those agents who have been following up such cases carefully to see what has become of the car after the owner has gone into the service, have been successful in many instances in securing a new customer to replace the old. In event the car has been placed in storage, they have also, in many cases, been able to retain the property coverage. While this premium is not large, it retains a customer for them which will be of value in the post-war era.

### May Not Be Affected Individually

The important point for the local agent to keep in mind today is that these negative factors affecting the business as a whole need not affect him individually. If he works his automobile renewals and prospects in a thorough and efficient manner, he can be successful in holding a good percentage of his total

volume and in defense areas can show an increase. It is being done, and what can be done in one location can also be done elsewhere.

The producer, however, cannot expect to work his automobile business successfully unless he, himself, believes in that business and has the right mental attitude toward it. Due to the wide publicizing of the automobile rate reduction, too many agents are working under the mistaken belief that they must, on every renewal, be in a position to quote a lower premium than last year. This is not true. The same result can be accomplished if they show increased value for the money expended.

To illustrate—an automobile renewal of last year which brought an annual premium of \$40, now because of rate reduction for the same coverage brings a premium of only \$32, as an example. The agent in soliciting that renewal quotes the insured the reduced premium. Actually this reduction in premium creates a new type of sales resistance in the mind of the insurance buyer. It is conducive to such thoughts as "I've always thought I was paying too much for my insurance," and this leads him into wondering whether he actually needs the protection because of his reduced driving. That is basic psychology.

If every producer would convince him-



"I'm sorry—but the \$50 deductible collision insurance is only issued on autos,—anyhow, Mr. Mertens, I have a hunch you'd be a poor risk."

self that it isn't necessary today to quote reduced premiums, and that he can accomplish more by placing the stress on value, the entire industry would be benefited.

Place yourself in the prospect's posi-

## Strength

## Dependability

## Service



### Affiliated Companies:

London & Lancashire Indemnity Company  
Law Union & Rock Insurance Company, Ltd.  
Safeguard Insurance Company  
Orient Insurance Company



### Salesmanship has not been rationed

THERE ARE EFFECTIVE WAYS OF SECURING  
NEW AUTOMOBILE BUSINESS

Write us, or ask our Fieldman



### Departmental Offices

Hartford

New York

Chicago

San Francisco



S. W. SCHELLENGER

tion and imagine your own reception to an agent who comes in, quoting a reduced premium and another agent who comes in with this statement: "As you have probably heard, we have revised our automobile insurance rates from last year and now for a premium of \$..... more (or less) than you paid last year, I can provide you with the same insurance protection with the important addition of (and then quote whatever additional coverage is being recommended)."

This approach is a positive one and doesn't invite negative thinking on the part of the prospect.

Those producers who are holding their automobile volume successfully are those who have the courage to quote a complete package and who are not convinced that it is necessary for them to quote reduced premiums to each policyholder.

Unquestionably the automobile insurance salesman today, and for the duration, will be confronted with the argument and, in many cases, the sincere belief by his customers that, now with restricted driving, automobile insurance is no longer necessary. It will be up to the salesman to do an aggressive selling job in each case if he is to hold the renewals and to keep his clients properly protected.

#### Result of Faulty Thinking

The concept that restricted driving eliminates need for automobile insurance is the result of faulty thinking on the part of the buyer and it is the producer's obligation to correct it.

It is true that exposure certainly plays some part in the automobile insurance loss experience. Its effect applies only to the frequency of accidents, however, and not to the severity. While it is true that the person who travels only 240 miles per month has less exposure, and less chance of having an accident due to this exposure, he has the same risk of suffering a severe loss.

Here is a recommended line of approach to be used on the prospect who believes that he has no need for the coverage because of his restricted driving:

"It is quite true that you have less chance, with your restricted driving, of having an automobile accident. The companies have compensated for this fact by reducing automobile insurance premiums. However, I would like to call one important fact to your attention. The chance that an accident will be a serious one is just as great today as ever before and it is that serious accident which provides the real purpose for insurance protection. You can pay for your minor claims without any trouble at all but when a serious accident occurs, you are going to want financial assistance to pay the bill. We must remember that any one mile can bring an accident and any accident can be a serious one."

#### An Effective Answer

Here is another answer which also proves effective:

"You have been buying war bonds, and so have I. No doubt you have invested in bonds for two reasons: First of all to help your country in a time of financial need, but also you consider it worthwhile savings for your own future financial security."

"One automobile accident without insurance can take those war bonds plus any other savings you may have. It can also mortgage your future for many months to come. Isn't it much more reasonable, rather than to run this risk, to budget this small insurance premium and make sure that whatever you save now will be yours after the war is over?"

Those agents who are now most successful in automobile production attribute their success to these reasons:

1. Personal calls on renewals. This enables them to answer the objections of the policyholder before he has come to a definite decision.

2. Quote the whole line. An additional coverage here and there goes a long way toward compensating for rate reductions. Medical reimbursement is the

## War Workers Are Profitable Source of Business

War workers with bulging pay envelopes are prime prospects for automobile insurance at the present time. In Detroit, Ralph Fluckey, Travelers, has made an outstanding record writing 122 new automobile risks in 1942, his second year in the business. K. W. Coleman, assistant manager, reports that about 75% of Mr. Fluckey's business comes from war workers. Mr. Fluckey adjusts his time schedule to the main source of his business, calling on prospects at their homes from 11 a. m. to 1 p. m. and 6 p. m. to 8 p. m. Mr. Fluckey finds that approximately 30% of his automobile orders are secured from contacts on other lines such as fire, fur coat floaters, etc. He gets appointments with his people and calls on them at the expiration dates of the various lines of coverage.

#### Procedure Followed

Mr. Fluckey's records are such that he knows the shifts on which the men are working and when he calls at a prospect's home on an expiration the latter is notified by telephone or card that he is coming. In a number of cases he has been able to sell automobile insurance over the telephone. He delivers the policy personally and at that time secures a substantial down payment and arranges for the balance to be sent to him. Therefore he eliminates time spent in collections. Mr. Fluckey makes definite payment arrangements. If the premium has not been paid on the second notice sent out a letter with a personal salutation is written on the bill setting forth these ideas:

"Won't you please send in the premium and save the available gasoline and tires to be used for those who have been unfortunate and suffered a claim? Claim service rather than collection service is the best personal service to the policyholders." This plan, Mr. Fluckey finds, has worked very satisfactorily.

#### Maps Out the Calls

When contacting his prospects or assured Mr. Fluckey maps out his calls so that they are conveniently located geographically. Thus he saves time, gasoline and tires. In following up renewals he endeavors to increase his \$5,000/\$10,000 limits to \$10,000/\$20,000 and adds \$500 medical payments coverage. He has placed every one of the contracts so issued and therefore main-

best "extra," but some people who formerly passed up collision, now are buying. The reasons are: lower rates and the knowledge that repairs are more costly.

#### Many Uninsured Cars

3. New business, coming from former policyholders of agents now in the service, and from persons who have the money to buy. This latter group is important. The percentage of uninsured cars on the road is high. Many of those uninsured cars are being used in "share the ride" agreements. The owner can afford the protection and his need is apparent. A local campaign on "share the ride" motorists has achieved worthwhile results in new business.

Whatever the individual agent's situation or prospects may be, there is one important point that he must keep in mind. This is the time for postwar planning. The agent who will be in the best position to capitalize on any future buying market will be the one who has taken the best care of his clients today. To neglect the automobile business today will mean the loss of many premium dollars in the future. To work the line intelligently and efficiently today will pay its own dividends—today and in the future.

tains his premium volume which otherwise would have been reduced.

His manager declares that the key to Mr. Fluckey's ability to produce and service a large number of automobile risks is his definite planning methods for the soliciting of new business and the handling of his renewals with a minimum traveling effort and minimum time spent on collections. He maintains very close contact with all his clients, therefore cutting down to a minimum loss of renewal business and securing maximum results for his efforts in the creation of new coverages. He works very closely with recommendations from his satisfied clients to the prospects. He, therefore, secures prospects from those to whom he has rendered a favor. Every claim check sent to his assured is sent special delivery. This makes a hit.

#### SUCCESS IN DECATUR

Nicholson-Clark & Co. of Decatur, Ill., recently started selling insurance to factory workers particularly in defense industries, the activity being in charge of C. M. Nicholson, son of the head of the agency. He says with regard to plans adopted.

"As new people moved to Decatur with the coming of defense industries, a problem developed as to the best method of contacting them. No one was allowed in the plants during working hours unless they had business essential to the war industry. We finally decided to canvass the occupants of the new defense houses in Decatur.

"I started by taking a group of these houses and calling upon the occupants

#### 27,800 Persons Killed in Auto Accidents

Despite the gratifying 30% reduction in automobile accident deaths, the annual toll in 1942 was still deploring with 27,800 persons meeting death. In addition there were 1,000,000 injured in automobile accidents, approximately 80,000 of whom were permanently disabled.

during the day. This, I very quickly discovered, was not the right time, as either the husband was at work or, if a night worker, was asleep. I determined the most satisfactory way of contacting them was to call upon them between 7 and 9 in the evening. This time seemed to be right between the day and night shifts. I usually found the husband at home. I then started taking two nights each week to call on these people, and I have had moderate success in selling them. As an entree, I used automobile insurance, as 90% of these workers used cars. Although I did not sell all of them, I did find they were very good prospects and usually gave me the expirations of their automobile insurance. I had some success in selling them fire and extended coverage on their household goods. Those that I sold paid cash, and there was no financing of premiums.

"I did also find that 90% of these people, who are newcomers to the town, seemed very glad to have me call upon them and usually demanded some of my time for visiting. We feel in this office that should we consistently follow this method of solicitation, we will succeed in developing business that otherwise we could not possibly put on our books. In fact, some of the people whom I have sold have come into the office and inquired about other types of insurance."

The  
**CENTURY**  
INSURANCE COMPANY  
*Limited*  
Established 1885

111 JOHN STREET, NEW YORK  
LAWRENCE J. TILMAN, United States Manager

FIRE & ALLIED LINES • AUTOMOBILE  
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THE  
**Pacific Coast**  
FIRE INSURANCE COMPANY  
Established 1890



## Wide Field Still Available for Automobile Insurance Producers

By K. E. CARPENTER

Vice-President Commercial Standard of Ft. Worth

Automobile insurance, an outstanding special interest of the whole insurance field for the last two decades, today faces a test from which fire and life insurance have over the years emerged time and again with flying colors. A twentieth century development within the life-time of easily the majority of active insurance people, the automobile and its numerous legal liability exposures—ever expanding, ever on the increase—have been inspiration to thousands of insurance production men. The selling and the solicitation of automobile insurance has been the entree to thousands of accounts. Fraught with a multiplicity of problems, directly keyed to the growing pains of the world's greatest nation and that nation's greatest young industry, the automobile insurance business, through the combined efforts of agents and companies, has moved steadily ahead.

### Great Opportunity Today

Share and share alike due credit for a remarkable growth in the volume of automobile insurance premiums, these agents and these companies must now work closer together than ever before. The problem is not only that of maintenance of commission income for producer and premium volume for company, but also of taking full advantage of the greatest opportunity to popularize automobile insurance that has ever presented itself. If we automobile insurance men do not make the most of this opportunity, we shall have dropped back when the command was forward, we shall have failed a real obligation to carry on.

### Work—a Prime Requisite

The battle plan is one with which we Americans are supposed to be more familiar than any other of the world's peoples. It is work. Agents and producers owe it to their companies to labor unceasingly and intelligently and efficiently for the production of business. Companies are obligated to their agents to give them the utmost in cooperation, to give them selling aids synchronized with the times, to give them rates adjusted to conditions.

The years 1940, 1941 and 1942 saw thousands become automobile owners for the first time. By far the greater portion of these automobile sales were financed, with required material damage insurance purchased. Some were sold bodily injury and property damage liability coverage; many were not sold. A vast field for solicitation still exists in this group. To many, the required fire, theft and collision coverage was their introduction to the business of insurance. The seed has been sown—we should reap a full harvest. These thousands should continue to be insurance company policyholders long after their cars are paid for. They are ripe prospects for both material damage and liability coverages. Many of these thousands have moved from their original homes to parts of the country having more industrial activity; many will remain in their new homes after the war. All of these are potential accounts for the active agent, not only for automobile coverages but also for other forms of protection. They have been introduced to insurance; they must be kept sold on its worth.

### Women as Insurance Prospects

As never before and as a class, the working women of our country are today a relatively untapped group of prospects. Many of them own an automobile for the first time, and their incomes are at the highest point in history. Sell them full automobile coverage. The working women of today will be the new house wives of after the war; sell them now

on insurance protection and they will sell their postwar families.

Wartime conditions have brought the initiation of a variety of new covers until today every person who owns an automobile or who operates one or who rides in one is a prospect. Never before have producers had such a vast market of potential auto policyholders on which to work, and never before such varied forms of protection to offer. Producers, intent on the immediate commission income, will also recognize that today's purchaser of a low cost cover may quite possibly be the seed of a valued post-war account.

### Business Principles Stable

Basically, business development and business preservation principles change but little over the years. But, the cobwebs will gather and lethargy will get the upper hand if we are not ever on the alert. Agents who are on their toes have already found out that rubber and gasoline rationing bug-a-boo talk is out of place; but, the business will slide if you don't keep it sold. The average American family has not yet garaged

its car for the duration; on the contrary, Mr. Average American's automobile is still used just about every day in the week. Mr. Average American values that car as never before and he wants to keep that property covered; he knows that he can still have accidents and he wants protection against claims. Trite though it may be, there is no truer statement than the oft used "you need automobile insurance no matter how little you drive." Too, don't forget that there is good coverage available for every pocketbook.

Mr. Producer, it may be that you are one of that group which hasn't really sold automobile insurance for years—perhaps you've only been soliciting automobile insurance. If this means you then it also means that today you have got to get out and sell—not just solicit. Plans for retaining business and plans for building business have crowded your mail and your mind and your desk for years. Company men have shoved them at you until sometimes you've hoped you had seen the last special agent for a long time to come.

Many of these plans—your own brain children or those of the companies—are workable now—drag out the better ones and have a try—you'll be pleasantly surprised.

Right here, Mr. Producer, lest you think I'm trying to load the whole bur-



K. E. CARPENTER

den onto your broad shoulders, let me say that your companies will be in the thick of the battle right at your side. The responsibility and the burden are  
(CONTINUED ON PAGE 19)

# ALLSTATE

☆☆☆☆ Financial Statement, December 31, 1942 ☆☆☆☆

## ALLSTATE INSURANCE COMPANY

Financial Statement — December 31, 1942

ASSETS	
Investments:	
United States Government Securities.....	\$5,552,365.00
Municipal, Public Utility, Railroad and Other Bonds .....	491,118.00
Stock of Affiliated Company—Allstate Fire Insurance Company .....	634,804.00
Other Stocks .....	697,066.00
First Mortgage Loans on City Real Estate.....	372,636.96
Total Investments .....	\$7,747,989.96
Cash in Banks and Office .....	1,025,008.05
Premiums in Course of Collection .....	751,048.65
Accrued Interest and Other Assets .....	307,737.29
TOTAL ADMITTED ASSETS .....	\$9,831,783.95

LIABILITIES	
Reserve for Losses—a reserve to meet payments on accidents which have occurred.....	\$2,728,402.29
Reserve for Premiums collected but not earned .....	2,335,844.99
Reserve for Taxes—payable in 1943 .....	878,466.16
Reserve for Expenses—payable in 1943 .....	102,192.09
Reserve for Dividends on unexpired policies....	306,271.73
Reserve for Contingencies—a voluntary reserve for additional protection of policyholders....	500,000.00
Reserves—Miscellaneous .....	40,940.71
TOTAL LIABILITIES .....	\$6,892,117.97
Capital Stock Outstanding.....	\$1,000,000.00
Surplus .....	1,939,665.98
Surplus as regards policyholders.....	2,939,665.98
TOTAL LIABILITIES AND CAPITAL.....	\$9,831,783.95

All eligible bonds amortized. All others bonds and all stocks valued at market prices as approved by the National Association of Insurance Commissioners.

## ALLSTATE FIRE INSURANCE COMPANY

Financial Statement — December 31, 1942

ASSETS	
Investments:	
United States Government Securities.....	\$1,643,172.00
Municipal, Public Utility, Railroad and Other Bonds .....	119,428.00
Stocks .....	218,136.00
First Mortgage Loans in City Real Estate.....	105,364.97
Total Investments .....	\$2,086,100.97
Cash in Banks and Office .....	154,652.59
Accrued Interest and Other Assets .....	24,818.40
TOTAL ADMITTED ASSETS .....	\$2,265,571.96

LIABILITIES	
Reserve for Losses—a reserve to meet payments on accidents which have occurred.....	\$ 98,957.00
Reserve for Premiums collected but not earned ..	798,864.54
Reserve for Taxes—payable in 1943 .....	277,726.01
Reserve for Expenses—payable in 1943 .....	35,996.88
Reserve for Dividends on unexpired policies....	34,566.59
Reserve for Contingencies—a voluntary reserve for additional protection of policyholders....	150,000.00
Reserve—Miscellaneous .....	2,146.79
TOTAL LIABILITIES .....	\$1,398,257.81
Capital Stock Outstanding.....	\$300,000.00
Surplus .....	567,314.15
Surplus as regards policyholders.....	867,314.15
TOTAL LIABILITIES AND CAPITAL.....	\$2,265,571.96

All eligible bonds amortized. All others bonds and all stocks valued at market prices as approved by the National Association of Insurance Commissioners.

## Use a Planned Program

Reduction in Automobile Premiums Can Be Overcome by Following a Regular Course

By CARTER A. BAKER

Manager Casualty Department Leedom, O'Connor & Noyes Co., Milwaukee and President Milwaukee Board Casualty & Surety Underwriters

It is an established fact that war has reduced automobile rates which results in lower commissions. It is a "must" with the progressive agency to overcome the reduction. A discussion of ways and means of recovering lost premium dollars is timely.

A planned program should first be adopted that should embrace well-known and essential coverages which agents regularly observe, but do not follow systematically. An illustration: increased limits, guest medical payments, comprehensive material damage, towing and road service, collision and drive-other-car coverage.

Automobile accidents have not taken a holiday, and personal injury claims continue to run high. Standard limits are often inadequate. How would you like to face a policyholder whose loss far exceeds the limits of liability of his policy? It is important that limits of policyholders be investigated to determine the degree of security in each policy. The \$10,000/\$20,000 limits cost only 15% more than standard limits for private passenger cars and offer twice the protection.

### Comparison in Cost

The comparison of cost in terms of each \$1,000 of accident limit is often advisable. For example, Wisconsin Territory I rates, Class A, cost \$1.40 per \$1,000 for \$5,000/10,000 bodily injury limits, as compared with the cost of only 36 cents per \$1,000 for \$25,000/\$50,000 bodily injury limits. It is better that the assured have limits in excess of the verdict, than to have been under-

insured and compelled to pay out of his own pocket. It is increasingly evident that the trend in verdicts is for higher limits. Higher bodily injury limits should be sold to protect policyholders' homes, cars, and savings accounts.

Not many policyholders have knowledge of the guest medical payments coverage, to say nothing of their understanding of its full application. Do they know for a small cost this important coverage can be added to the bodily injury liability in amounts of up to \$250 and \$500 and as high as \$2,000, and pays medical and funeral expenses of any member of the policyholders' family or any guest of the policyholder who may be injured or killed while in the policyholder's car? It is also possible for the named assured to purchase this coverage in some states. Many policyholders are carrying more passengers, especially those engaged in ride-sharing plans. These conditions create the need of medical payments coverage. In many cases this coverage can be automatically included in the renewals, but the policy should not be delivered and premium accepted without the assured's knowledge and understanding of the medical payments coverage.

The "old-fashioned" fire, theft, and windstorm policy is occasionally discovered among the contracts of insurance held by policyholders. These policies could be modernized. This is the comprehensive era. The comprehensive automobile insurance policy offers the broadest protection—protection against all physical loss or damage to the private passenger car, excluding only the perils considered uninsurable. The exclusions are defined, and all other loss or damage is insured. Important perils insured are: fire, theft, hail, earthquake, cyclone, tornado, windstorm, flood and rising waters, explosion, falling aircraft, strikes, riots and civil commotion, sand storms, vandalism and malicious damage, breakage of door handles and/or tire locks due to attempted thefts, and breakage of glass from any cause, including collision or upset. It is advisable to convert existing "old-fashioned" fire, theft and windstorm coverage to comprehensive, the cost of which is nominal.

"Towing and labor costs" is too frequently overlooked by the agent. Coverage pays up to \$10 for each disablement towing and labor cost, "provided the labor is performed at the place of disablement." Very often policies can be renewed with this coverage automatically provided and the assured notified of its inclusion.

### Selling Collision Coverage

A greater service can be rendered to policyholders by selling them collision coverage at the reduced rates for passenger cars. Many policyholders believe collision insurance is too costly, because they have in mind the high rates that once prevailed. Policyholders are proud owners of automobiles and they take pride in keeping their cars neat and in good mechanical condition. They do not know when they will again be able to buy a new car. It's expensive to repair damages because of high cost of labor and the increase in cost of parts.

Collision insurance fills the bill. Suggest and explain the convertible and deductible forms as may be applicable to the assured's needs. This is the time to include this important coverage in the over-all protection.

The national standard automobile liability policy and some others contains a

provision for "Drive other private passenger automobiles" without cost. This provision should be carefully analyzed to become fully acquainted with its breadth and limitations. The coverage should be carefully explained to the policyholders and an attempt made to tailor the contract to the individual requirements.

### Free Drive Other Car Cover

The "free" drive other car coverage covers any other private passenger car not owned by the assured but occasionally borrowed or hired. The coverage as provided by the policy does not fill the gap for all situations. It does not apply on the passenger car not owned which is regularly used or rented by the assured, nor does it cover all types of automobiles and motorcycles. Relatives residing in the same household of the assured are not covered. These contingencies can be covered by the broad and relatives form of drive other automobiles and private passenger cars for a small additional premium.

The loss of a renewal is sometimes prevented by having pointed out the value of the drive other car coverage. The "medical" has been an important factor in renewing policies. "Suspensions" should be resorted to in cases where there is an inclination to return policies on account of the car being out of operation.

Your service to the policyholders is not complete until you have informed him of each of the coverages mentioned herein. If you have rendered this complete service to your risks already on the books, your attention can best and fairly be directed to the solicitation of new automobile premiums.

Do all your comprehensive (fire, theft and windstorm) policyholders have public liability and property damage? This is certainly one good source of new public liability and property damage prospects. Accidents happen daily. Maybe your comprehensive policyholder

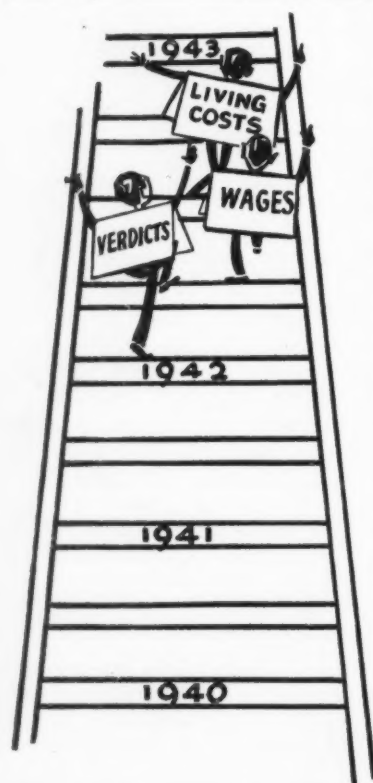


CARTER A. BAKER

will be the next to have a costly accident, so if you have failed to provide complete protection you will be indicted for careless attention to your profession.

The 35 mile per hour speed for the conservation of rubber does not carry immunity against accidents. The prospect whom you will next call on can hold an "A" ration card, but that does not keep him from being involved in a serious accident which is likely to result in a substantial verdict. As out of place as it may seem, many automobile owners have implicit faith in the security of all these restrictions being accident proof in the operation of their cars. This group includes people who at one time would not be without public liability and property damage, but dropped it on account of curtailed operations, and the other class who have always

(CONTINUED ON PAGE 19)



Verdicts in automobile accident suits follow close behind when living costs and wages climb high. You not only need automobile liability insurance now more than ever before but you need higher limits.

## Good Agency Companies

Our Automobile Department is peculiarly equipped to aid in solving problems involving Automobile Insurance.

NATIONWIDE FACILITIES

**National Union**  
and Birmingham

FIRE INSURANCE COMPANIES  
PITTSBURGH • PENNSYLVANIA





## Rhode Island Agency's Auto Volume Is Maintained

Despite substantial rate reductions and curtailed driving restrictions in the east, Carleton I. Fisher of G. L. & H. J. Gross, Providence, R. I., reports that his agency's 1942 automobile premiums did not drop below the 1941 volume. Mr. Fisher, who is prominent in the National Association of Insurance Agents, reports that despite the fact that some cars were laid up and no new ones were available, his agency was able to hold its own by placing insurance on new risks and writing additional coverages on existing business.



C. I. Fisher

"It looked as though the substantial rate reductions were going to make a big hole in the premium volume," Mr. Fisher commented. "But they didn't. This move actually encouraged many persons who might have laid up their cars to keep them on the road. It also made it much easier to sell liability insurance to persons who had never previously bought it."

### Share-the-Ride Clubs

"We find that with so many cars being used by share-the-ride clubs there is an increased realization on the part of the owners of the danger of claims arising out of injuries to riders in the cars. Most of these owners are now earning high wages in war plants and can easily afford the comparatively low premiums. They are also conscious of the increased danger of accidents because of the dim-out we have on this coast which really makes driving conditions very bad. Accidents have not decreased sharply as was expected when the speed limits were lowered as the accidents caused by the dim-outs have replaced those avoided through lower speeds."

"If cars are to be driven into government reservations liability insurance is usually a requirement. All of these points have aided in the sale of new business, especially to clients on our books who have formerly bought only fire and theft insurance. This constitutes any agent's best prospect list."

"I do not know what is going to happen to the cars that only have 'A' rations on this coast now that the rations have been cut in half as this allows practically no driving—only 90 miles per month. However it is felt that many of these people have been using their limited rations to drive to work and will be eligible for increased rations. The tendency here has been for people to keep their cars on the road no matter how little gasoline they get. Cancellations for this reason have not been many. Insurance has been canceled by

men going into the service but in the majority of cases the cars are turned over to members of the family and continue in use. We have noticed a number of new cars being insured now that the restrictions on their sale have been lowered."

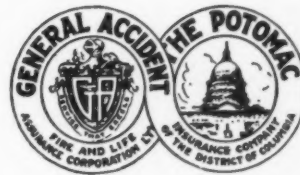
"Because our renewal rates are so much lower than the policyholders paid last year we have tried to make this up through the sale of \$500 medical payments coverage, including the insured, on every policy covering a private passenger car. The annual premium here is \$4 and in very very few cases is this refused by the insured. We have also tried to increase the limits of liability, especially from \$5/10,000 to \$10/20,000 and again this is accepted in most cases. As a result the renewal premiums are usually brought back up to last year's premiums. There has been no reduction in commercial car premiums either although the bodily injury rates have recently been cut 20%."

"I can't remember when we have had anyone recently want to just drop his insurance. Most people realize they need it more than ever so we do not have to use much salesmanship on them. I think this will continue so long as everyone has a job and is making good money."

"There is only one thing that is preventing us from sharply increasing our business through the sale of new policies and that is what is handicapping most agencies, namely manpower shortage. We have the opportunities but can not take advantage of them to sell new business. Every agent with an office of any size has had men go into the service and we are no exception. The existing business requires a lot of servicing and we have to take care of the personal business of those who have gone away. As a result there is no time for campaigning for new business. We don't seem to have time to take care of the business we already have."

"Our fire and theft premiums are also increasing. This is primarily due to the fact that the insurance on cars financed before manufacture ceased have been renewing with agents, whereas formerly many of them no sooner paid for one car than they financed the purchase of another and it was not insured through an agent. The cycle will about run out next August. However many of these people are prospects for liability insurance and have been educated to carry collision insurance by the finance companies."

"We have had some success in selling collision insurance to policyholders especially since the rates have been reduced. People are very conscious today of the fact that their cars are very valuable as they can not be replaced in many cases and the cost of repairs is very high. So we have no trouble in renewing fire and theft policies even when the cars have been laid up."



**GONE ARE THE DAYS** when a drawer full of policies was the proof of complete insurance. Broad coverage under a few policy forms is the rule today.

The General Accident—Potomac Combination Policy offers the best in Automobile insurance to the buying public.

In these days as never before policyholders seek security. Rugged financial strength stands back of the General Accident—Potomac Policy.

## GENERAL ACCIDENT

FIRE AND LIFE  
ASSURANCE

CORPORATION, LTD.

## POTOMAC INSURANCE

COMPANY  
OF THE DISTRICT  
OF COLUMBIA

GENERAL BUILDINGS, PHILADELPHIA



Thousands of installment buyers have finished paying for their cars but with second hand car values up they need insurance protection more than ever before. Are you going after this business?

# Stock Fire Auto Premiums Decline 47.7% With Decreased Financing

Curtailment of new automobile manufacture and sales because of the war and the consequent loss of finance business sharply reduced the automobile premiums of stock fire insurance companies in 1942. After establishing a new all time high of \$277,010,601 in 1941, the total in 1942 shrunk to \$144,727,017, a decrease of \$132,283,584, or 47.7%. Not since 1935 have the automobile premiums of stock fire companies reached so low a figure. In that year total premiums were \$101,095,868. In 1934, they were \$79,098,183. In 1936 they rose to \$155,135,588 and except for 1938 they have steadily risen since the depression.

With premiums running off more rapidly than liability, it is natural that the loss ratio in 1942 should have gone up sharply. It was 77.0 in 1942, compared with 50.6 the preceding year and 43.8 in 1940.

## Should Be More Normal in 1943

Stoppage of new automobile manufacture in 1942, following a year when new car sales reached swollen proportions as motorists bought heavily in anticipation of the war restrictions made 1942 an extremely unusual one. The reduction in collision premiums probably did not affect the totals in 1942 very materially. The decrease rose very largely from the disappearance of finance business. With this large amount squeezed out of the total premium figures in 1942, automobile insurance men do not anticipate fluctuation of any such proportions in 1943. Premiums should level off, and

the business should follow a more normal pattern this year.

That a large portion of stock fire premiums prior to 1942 were represented by finance business is dramatically illustrated by the fact that although

York, with a loss of 77.1% of its premiums, went from second to third. Emmco, fourth last year, dropped out of the leaders' table altogether with a loss of \$5,937,797 in business, and Travelers Fire moved into fourth position.

## TEN STOCK FIRE AUTO LEADERS

	Prem. 1942	Prem. 1941	% Decr.	Prem. 1940	Prem. 1939
1. General Exchange..	\$ 8,459,794	\$39,620,518	-78.6	\$25,283,257	\$26,540,914
2. Hartford Fire .....	5,971,590	8,741,210	-31.6	7,760,264	6,816,938
3. Home, N. Y. ....	5,950,721	26,081,500	-77.1	25,094,142	21,696,083
4. Travelers Fire .....	4,895,162	5,115,160	-4.30	4,136,753	3,405,989
5. Amer. Auto Fire...	4,706,090	4,863,192	-3.23	4,059,892	3,329,168
6. Automobile .....	4,125,621	4,661,686	-11.5	3,925,315	3,317,622
7. Firemen's, N. J. ....	3,704,913	3,892,864	-4.83	3,055,461	2,364,705
8. National, Hartford	3,241,156	4,847,415	-33.1	4,117,727	3,906,969
9. Ins. Co. N. Am. ....	2,686,697	3,891,448	-30.9	3,287,697	2,665,897
10. Fid. & Guar. Fire..	2,509,800	2,705,839	-7.25	2,147,986	1,799,792

General Exchange, which occupied first place among the leaders in 1941 with \$39,620,518, lost \$31,160,724, or 78.6% of its premiums, and still retained its hold on first place with \$8,459,794.

## Many Changes in Leaders' List

It is characteristic of what happened to the leaders' table this year that the companies showing the least decrease made the greatest gains in position. Hartford Fire, which lost only 31.6% of its business, moved up from third to second place, while Home of New

Aetna Fire was another leaders' casualty, while American Auto Fire moved up from 10th to fifth. Calvert Fire, Continental, and Service Fire of New York, among 1941 leaders, are not represented this year. Three, Calvert, subsidiary of Commercial Credit Corp., Service Fire, Commercial Investment Trust subsidiary, and Emmco, affiliate of Associates Investment Co., South Bend, Ind., are connected with finance companies. Automobile, Firemen's of Newark, National Fire of Hartford, North America, and Fidelity & Guaranty Fire, in that order,

are newcomers this year. The violent fluctuations in premiums is indicated by the fact that Firemen's lost only 4.83 and Fidelity and Guaranty Fire only 7.25% while National lost 33.1 and North America 30.9%. National Fire in 1941 was edged out of tenth place ranking by only a slight margin, the place going to American Auto Fire.

Two companies in the table in 1941, Canadian Fire and West American, were transferred to the full cover table. New companies included this year for the first time are Appalachian of Rhode Island, formed in 1941 by Union Mutual Fire interests of Providence, R. I., Capital of New Hampshire; Equity Fire, stock carrier formed by the Bruce Dodson reciprocal interests of Kansas City; Farmers Fire of Pennsylvania. British & Foreign and Seaboard of Maryland, which were not included in last year's table, appear this year and show figures for both 1941 and 1942. The 1941 figures have been adjusted to take into account the shifting of companies to other tables and the additions.

Industrial of Denver also is new to the table, as is Bituminous Fire & Marine, organized in 1942 by Bituminous Casualty and Centennial, affiliate of Atlantic Mutual, North American Fire & Marine Reinsurance, a new addition in 1941 to the Swiss reinsurance group, is a newcomer, and Secured F. & M. of Indiana, a new company. William Penn Fire is now writing auto business and so is in the table for the first time.

## Stock Fire Auto Premiums and Losses in 1942

1942					1941					1942					1941				
Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.	
Prem.	Losses	Ratio	or Dec.		Prem.	Losses	Ratio	or Dec.		Prem.	Losses	Ratio	or Dec.		Prem.	Losses	Ratio	or Dec.	
\$	\$	%	In Prem.	\$	\$	\$	%	In Prem.	\$	\$	\$	%	In Prem.	\$	\$	\$	%	In Prem.	\$
Aetna Fire ..	2,494,008	2,890,929	115.5	-4,546,798	7,040,806	3,693,259	52.4	+1,270,079		Assoc. F. & M.	81,620	23,220	28.5	+2,464	79,156	13,236	16.7	+21,936	
Agricultural..	1,232,963	948,399	76.5	-740,667	1,973,630	1,011,153	51.2	+294,477		Atlas, Eng. ....	478,459	252,954	53.0	-76,392	554,851	256,592	46.2	+131,007	
Albany .....	91,128	48,010	53.0	-14,489	105,617	48,900	46.2	+24,953		Automobile ..	4,125,621	1,471,300	35.0	-536,065	4,661,686	1,756,275	37.6	+736,371	
Allegheny ..	154,581	103,966	67.0	-34,773	249,291	101,597	40.7	+74,865		Balti. Amer. ...	115,114	235,922	204.5	-391,142	506,256	287,470	56.7	-16,576	
Alliance, Eng.	333,118	183,198	54.0	-138,928	474,046	202,538	42.7	+52,685		Balti. Natl. ...	3,187	2,404	65.5	-361	5,397	4,863	90.1	+1,650	
Alliance, Pa.	302,253	163,315	53.5	-135,534	437,787	192,834	44.0	+67,921		Bankers F. & M.	8,187	1,053,473	80.0	-959,234	2,287,267	1,392,989	60.9	+131,897	
Allied, N. Y.	101,163	17,534	17.2	+6,611	94,552	17,661	18.6	+12,256		Bank & Ship..	1,328,033	66,275	169.5	-175,638	214,717	143,422	66.7	+26,711	
Allstate F. Ill.	1,706,416	598,584	35.0	-19,519	1,725,935	667,802	38.6	+616,139		Birm'm, Ala.	39,081	504	...	...	5	28,756	...	-85,013	
Am. Alliance.	168,127	77,503	46.0	-29,196	197,323	89,191	45.2	+33,392		Birm'm, Pa.	...	...	...	...	...	...	...	...	
Am. & For. ...	109,355	48,207	44.0	-2,552	111,907	39,768	35.5	+37,238		Bitum. F. & M.	791	...	...	-184,350	760,180	293,512	38.6	+160,317	
Am. Au. Fire	4,706,090	1,614,753	33.5	-157,102	4,863,192	1,900,345	39.0	+803,310		Boston .....	575,830	275,594	48.0	-23,929	44,473	21,016	47.2	+9,986	
Amer. Central	353,784	230,316	65.5	-154,028	507,812	259,980	51.1	+107,432		Brit. Am. Ont.	20,544	19,537	94.0	+33,592	56,536	44,920	51.1	+18,564	
Amer. Eagle..	533,062	415,491	78.0	-441,168	974,230	409,195	42.0	+545,037		Brit. & Foreign	91,128	34,095	34.0	-26,629	87,740	45,548	51.8	+123,590	
Amer. Equit. .	370,306	228,206	60.0	-165,945	536,341	246,739	46.0	+50,411		British Gen. ...	61,121	39,783	65.0	+12,772	141,615	256,063	49.2	+143,144	
Am. Fire, Tex.	98,025	71,551	72.5	-55,361	153,368	66,698	43.4	+67,289		Buckeye Un. F.	154,387	76,368	48.5	-147,546	540,221	266,063	49.2	+121,851	
Amer. Home..	93,468	77,236	83.0	-89,263	182,731	189,965	103.9	-261,745		Buffalo, N. Y.	392,675	229,307	58.5	-28,654	122,177	24,375	19.9	+145,982	
Amer., N. J.	2,103,166	1,030,073	48.5	+3,753	2,099,413	1,174,827	55.9	+492,750		Caled.-Amer. ...	150,831	110,353	73.5	-96,989	500,639	223,141	44.3	+67,337	
Amer. Mot. F.	151,876	36,430	24.0	+73,396	78,480	12,589	16.0	+77,126		Caledonian ...	214,563	218,380	110.1	-5,499,576	6,271,471	2,407,221	38.3	+3,931,193	
Amer. Resolv.	-7,384	50,252	...	-186,725	179,341	70,176	39.1	+88,515		California ..	222,711	144,992	65.0	-735,028	1,725,426	962,654	55.7	-92,057	
Am. States F.	106,048	66	...	-346,085	442,851	259,767	58.6	-85,070		Calvert Fire..	771,895	2,667,336	345.0	-8,194	44,646	19,884	44.5	+7,311	
Am. Sec. Ga.	96,766	132,877	137.5	+19,979	132,139	65,750	49.7	-4,464		Camden Fire..	690,398	710,222	72.0	...	...	...	...	...	
Anchor, R. I.	152,118	69,842	45.5	...	...	...	...	...		Capital, Calif.	36,452	17,284	47.0	...	...	...	...	...	
Appalachian, R.I.	4,416	524	12.0	...	...	...	...	...		Cap. N. Hamp.	9,070	1,391	15.3	...	...	...	...	...	

(CONTINUED ON THIRD COVER)

## Ratio of Medical Payments to P. L. Premiums Shown

The automobile medical payments endorsement is one of those coverages that makes a strong appeal to automobile assured, is comparatively easy to sell, produces a substantial amount of premiums, and has given the companies a satisfactory experience.

Just what the endorsement represents in the way of total premiums is not known because a great many insurers do not break down the automobile liability account to these figures. Some of the companies, however, do keep a check on medical payments premiums, and in reporting their business for the annual automobile number 57 insurers included this separation. The companies included stock full cover and casualty, mutual full cover and reciprocal full cover, and had total auto liability prem-



One trip in an ambulance costs two or three times the annual premium for medical expense coverage.

iums of \$19,391,919 and total medical payments premiums of \$1,102,780, for a percentage of 5.69. While the reports considered here are partial they are probably fairly representative.

There is a wide difference in the percentage of medical payments endorse-

ment premiums to automobile liability premiums for the various companies, some of them running as low as 1% and others as high as 12%. This probably indicates to some extent the degree of effort put behind the medical payments coverage. Medical payments premiums for all companies probably will not run as high as 10% of the liability account, although it may run higher for some of the companies that have pushed it.

## Not Bad Showing

Considering that the medical payments endorsement rate is roughly from 20 to 25% of the auto liability rate the 5.69% on the present computation is not a bad showing.

The stock casualty companies that reported had a liability volume of \$1,866,278 and \$83,637, or 4.48% in medical payments; mutual full cover, \$10,449,356 and \$616,892, or 5.9%; reciprocal full cover, \$3,425,964 and \$173,426, or 5.06%; and stock full cover, \$3,650,321 and \$228,825, or 6.27%.

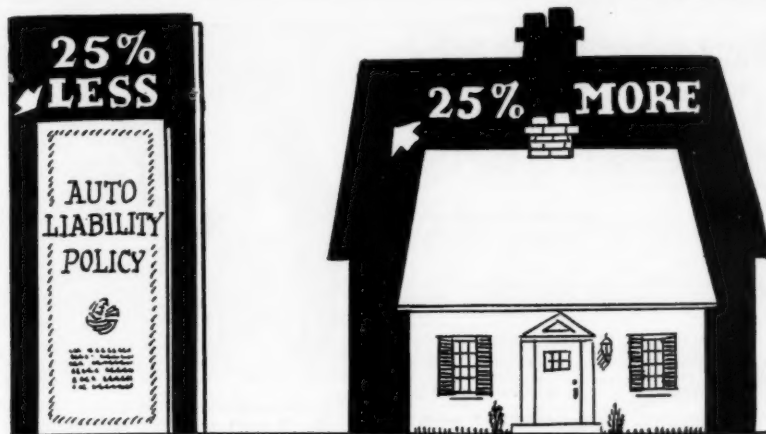
## Collision Experience Has Improved with Credit Curb

Formerly companies that had a large volume of "finance business" got their big collision losses in the first three months the policy was in force. This is not true now. The collision experience has improved materially for the entire policy period.

Previously, on financed automobiles, because of the widespread "adjustment" downward of the down payment, the car buyer accumulated little or no investment in the car for three or four months and cared little what happened to the vehicle. The dealer with a \$325 car who had a prospective buyer without much cash would show the selling price at \$400 and thus "obtain" a \$75 down payment.

Government restrictions on extension of credit and the requirement of a substantial initial payment put a stop to this sort of thing.





Under wartime conditions your automobile liability insurance costs 25% less while the value of your home which it protects from liberal hearted juries has gone up 25%—so you are in reality receiving 25% more protection at 25% less cost.

### Automobile Producing Opportunities Pointed Out

(CONTINUED FROM PAGE 8)

time when he does call than was his custom in the past.

In view of the renewal problems that exist some agents are spending one or two nights each month and reviewing all of their renewals ahead of time to plan a renewal program. They sort out those for policyholders that they will wish to call on the telephone. Into another pile go the renewals that they plan to mail and into a third pile they sort those that should be covered by personal calls. Personal calls may also be sorted by neighborhood. This makes it possible to spend one or two days in each section of the community. The agent may drive to the general locality and then walk to each call that he has to make and deliver the renewals door to door. One agent who has delivered practically all of his renewals through this method reports that he has secured more than enough new business as a result of his personal calls on his present policyholders to offset the few renewals that he has lost.

The fact that rates have been reduced so substantially has presented agents with an opportunity to sell their policyholders more complete protection. Many agents are recommending increased limits, pointing to the increase in jury awards. The medical reimbursement coverage is also being sold to a great many policyholders. Through such methods the agent is able to provide broader protection for his policyholders at a cost that is lower than was paid heretofore for less satisfactory coverage.

The renewal problem also ties up with the advisability of maintaining a record of cancellations and non-renewals for future solicitation. Many motorists who have dropped their insurance will represent the agent's best prospects when peace returns. As a matter of fact, a number of motorists who laid up their cars during the severe winter months believing that they might not drive for the duration have been tempted to bring their cars out of the garage by the first few days of spring. One medium sized agency in the east has had 19 reinstatements within the past few days and other agents report a similar trend in their business.

To the producer the automobile insurance situation with its many problems adds up to just one answer. He must work harder than ever before. It sounds like a man-killing job to add on these new problems to the full day's work the intelligent agent has to put in during normal times to do a good job of servicing his community. But in hundreds of communities there are agents who are keeping their chins up and still

going after automobile insurance aggressively. These are the men who today are building businesses which are going to make them the leaders in agency circles tomorrow. One decision every agent must make today. Is he willing to make the personal sacrifices—to give enough of his time and his energy—to reach that goal?

### Automobile Situation Is Not Entirely Drab

(CONTINUED FROM PAGE 12)

not want to be the agent who failed at least to bring this to the attention of his clients.

To take one final look at the record, automobile premiums are off. This is primarily so because of rate reductions. There has been only a slight reduction in registrations, and little loss of business, so far, because of cancellations.

Regardless of everything else, there is still a reservoir of uninsured cars to be tapped which amounts to 60% of all the cars in the country. The passage of new financial responsibility laws is destined to have a beneficial effect on insurance sales. Rate reductions can at least partly be offset by selling higher limits. B.I. and P.D., and by selling medical payments protection (not to forget drive-other-cars, which is also available for those who have laid up their own machines).

All in all, the picture for the enterprising agent is not black by any means. He will have to use his imagination, and undoubtedly will have to work harder, but his task is not hopeless. Omitting the rustic reference, he can do a good job for his clients and for himself and company if he will be like

Hans Grovendraad, an honest clown,  
By cobbling in his native town,  
Had earned a living ever.  
His work was strong and clean and fine,  
And none who served at Crispin's shrine  
Was at his trade more clever.

### Wide Field Still Available for Automobile Producers

(CONTINUED FROM PAGE 15)

joined. The insurance business—producers and companies as a whole—will in these trying times justify and increase the confidence which has over the years been placed in them.

Let's go—let's strike hard and often—we owe it to our fellow Americans, we owe it to each other, and we owe it to our United States.

### Uses Planned Program to Meet Rate Reduction

(CONTINUED FROM PAGE 16)

been without public liability and property damage insurance. It is reasonable to assume that about the same ratio of uninsured risks prevails at this time as prevailed prior to the war.

There continues to be a great demand for automobile transportation. In fact, transportation by automobile today is more important than in the past, because of the expediency with which transportation must be carried on. Many car operators can be found among the professional and business men, and certainly you will find many of them in the war industry. The combination of lower rates and higher incomes is conducive to more sales in automobile insurance.

### Creating Prospect List

You will not have difficulty in creating a prospect list from your own records, city and telephone directories, newspapers, trade journals, and if you do not have a list by this time, a good prospect list can be made by subscribing to some good newcomers service, which will give you a list of all new people coming to your city. Now that you have a good prospect list, make your calls and conduct your solicitation in a systematic way: increased limits, guest medical payments, drive other car coverage, comprehensive material damage, towing and road service and collision.

It is a sure shot that the results of the planned program, if properly and enthusiastically worked, for the solicitation of automobile insurance, will add up to a gain instead of a loss in commission dollars.

For life insurance facts and figures get the **Little Gem Life Chart**, 700 pages, \$2.50 from National Underwriter.



—In case of accident, I pay for the first \$50 repairs, and the insurance company, it . . .!

### Manufacturers See Difference in View

The situation with the automobile manufacturers on this side of the water is entirely different from what is seen in England. The U. S. government has forbidden any work on post-war automobiles. Individuals doing any post-war designing are promptly reported to the authorities by members of draftsmen and designers union which has very effectively fought any such look into the future. In England the government and the automobile manufacturers have been steadily working and cooperating on post-war automobile plans particularly with a view of creating a bigger market and endeavoring to be able to take care of all comers. Automobile manufacturers in this country in view of the attitude of the government conclude that automobile manufacturing as well as many others are due for government control and greater regulation.



## UNITED STATES CASUALTY COMPANY

•  
FORTY-EIGHT YEARS OF  
CONSCIENTIOUS CO-OPERATION WITH  
AGENTS NATION-WIDE  
•

HOME OFFICE:  
60 John Street, New York

# Company Group Standings Show Changes in 1942

The loss in finance business by some of the larger fire companies in 1942 caused a good many changes in position among the stock groups which are presented below. The Travelers group advanced from third to first place, while General Exchange and its affiliate, Motors Insurance Corp., No. 1 in 1941, dropped to the 13th position. The Home group, which also had a large volume of finance business, shifted from second to the 10th spot, and the Royal-Liverpool aggregation moved up from fifth to third.

Hartford Accident moves into second place well ahead of the two American Auto companies. In 1941 Hartford and its affiliates were in fourth place and American Auto in seventh. The Aetna Casualty group, in eighth position in 1941, improved its standing to fifth place, the Employers group moves up from ninth to sixth.

Firemen's of Newark, which stood 11th in 1941 is now seventh, only slightly more than \$200,000 behind the Employers companies. U.S.F. & G. moves up from 13th to ninth, slightly ahead of Home. General Accident and Potomac Fire rose one notch from 12th to 11th place. The Aetna Fire aggregation, which was in 10th place last year, is now in 12th. American Fore in sixth place last year, is now in eighth position.

The Commercial Credit Corp. group, although the three companies it had in 1941, Calvert, Cavalier and Plymouth, sluffed almost \$6,000,000 worth of business, rose in the standings to 15th place through acquisition of Pennsylvania Casualty, Manufacturers Casualty and Manufacturers Fire.

## Three New Groups

Among the new groups in the table this year are Trinity Universal which last year acquired the Security National; American States, which formed American States Fire, and Rhode Island, which acquired William Penn Fire.

In the non-stock and mixed group Lumbermen's Mutual Casualty of Illinois maintained a small lead of \$601,245 over the State Farm Mutual and State Farm Fire. Lumbermen's Mutual has \$26,340,871 premiums against State Farm's \$25,739,626. Liberty Mutual continues in third place with \$16,016,810, Farmers Auto of California in fourth with \$10,775,059, Hardware Dealers in fifth with \$9,238,705, Farm Bureau Mutual of Ohio in sixth with \$8,850,130, American Mutual Liability in seventh with \$6,915,188; Utica Mutual in eighth with \$4,439,824, Factory Mutual of Rhode Island in ninth with \$3,301,253. The National Grange group went into 10th place over Northwestern Mutual of Washington with \$3,072,310 this year. Iowa Mutual, Iowa Mutual Casualty and Monarch Mutual are shown for the first time as a group.

## STOCK GROUPS

	1942	1941
Travelers .....	\$16,496,757	\$16,609,459
Travelers Indem. ....	7,841,374	7,766,108
Travelers Fire .....	4,895,162	5,115,160
<b>Total .....</b>	<b>\$29,233,293</b>	<b>\$29,490,727</b>
Hartford A. & L. ....	\$16,038,654	\$15,605,310
Hartford .....	5,971,590	8,741,210
N. Y. Und. ....	150,005	206,125
N. W. F. & M. ....	78,929	123,076
Citizens, N. J. ....	26,534	38,849
Queen City .....	24,091	23,324
Twin City .....	10,778	14,919
<b>Total .....</b>	<b>\$22,320,581</b>	<b>\$24,752,813</b>
Globe Indemnity. ....	\$7,651,164	\$7,638,007
Royal Indemnity. ....	5,621,488	5,833,028
Eagle Indemnity. ....	2,320,037	2,177,141
L. & L. & G. ....	947,741	1,193,848
Royal .....	947,741	1,193,849
Queen .....	803,889	1,014,223
Newark .....	308,429	383,718
Star .....	255,161	316,930
Amer. & Foreign. ....	109,355	111,907
Federal Union .....	91,129	109,412
Capital, Calif. ....	36,452	44,646
<b>Total .....</b>	<b>\$19,092,586</b>	<b>\$19,006,709</b>

	1942	1941
Amer. Auto., Mo. ....	\$13,208,011	\$14,326,598
Amer. Auto., Fire. ....	4,706,090	4,863,192
<b>Total .....</b>	<b>\$17,914,101</b>	<b>\$19,189,790</b>
Aetna Cas. & Sur. ....	\$13,544,623	\$14,296,639
Automobile, Conn. ....	4,125,621	4,661,686
Standard, Conn. ....	93,831	105,814
Iowa Fire .....	11,871	17,762
Aetna Life .....	296	75
<b>Total .....</b>	<b>\$17,776,242</b>	<b>\$19,081,976</b>
Employers Liab. ....	\$9,099,357	\$9,845,918
Amer. Employers. ....	3,987,265	4,085,222
Employers Fire .....	1,492,805	1,578,104
<b>Total .....</b>	<b>\$14,579,427</b>	<b>\$15,509,244</b>
Metropolitan Cas. ....	\$4,435,031	\$4,571,671
Commercial Cas. ....	3,716,499	3,915,101
Firemen's, Newark. ....	3,704,913	3,892,864
Milwaukee Mechs. ....	1,173,233	1,232,740
Concordia .....	432,240	454,167
Girard F. & M. ....	432,240	454,167
Natl. Ben Frank. ....	432,240	454,167
<b>Total .....</b>	<b>\$14,326,396</b>	<b>\$14,974,877</b>
Fidelity & Cas. ....	\$8,137,033	\$9,987,989
Maryland .....	77,791	80,897
Fidelity-Phenix. ....	2,050,603	3,931,744
Continental .....	1,933,080	5,254,171
Niagara .....	645,682	718,932
American Eagle .....	533,062	974,230
First American .....	175,126	429,911
<b>Total .....</b>	<b>\$13,552,377</b>	<b>\$19,377,874</b>
U. S. F. & G. ....	\$10,207,152	\$9,807,479
Fid. & Guar. Fire. ....	2,509,800	2,705,839
<b>Total .....</b>	<b>\$12,716,952</b>	<b>\$12,513,318</b>
Home .....	\$5,950,721	\$26,081,500
Home Indemnity. ....	3,203,803	2,978,000
Franklin .....	851,243	3,746,937
City, N. Y. ....	339,915	1,498,575
National Liberty. ....	311,234	1,368,765
New Brunswick. ....	169,960	749,387
Ga. Home .....	169,958	749,388
Gibraltar F. & M. ....	169,958	749,387
Homestead .....	169,958	749,388
Paul Revere .....	169,958	749,387
Balt. American. ....	115,114	506,256
Carolina, N. C. ....	84,979	374,694
<b>Total .....</b>	<b>\$12,506,801</b>	<b>\$40,300,154</b>
General Acci. ....	\$11,043,972	\$11,516,374
Potomac Fire .....	1,099,479	1,339,029
<b>Total .....</b>	<b>\$12,143,451</b>	<b>\$12,855,403</b>
Century Indem. ....	\$3,555,543	\$3,167,287
Aetna Fire .....	2,494,008	7,040,806
Standard Ins., N. Y. ....	1,544,537	2,008,508
Standard S. & C. ....	1,483,055	1,512,688
Piedmont, N. C. ....	573,346	917,875
World F. & M. ....	333,885	514,149
<b>Total .....</b>	<b>\$9,984,374</b>	<b>\$15,161,313</b>

	1942	1941
General Exchange. ....	\$3,459,794	\$39,620,518
Motors Ins. Corp. ....	1,174,181	1,448,943
<b>Total .....</b>	<b>\$9,633,975</b>	<b>\$41,069,461</b>
Ind. Ins. Co. N. A. ....	\$5,540,664	\$5,283,959
Ins. Co. of N. A. ....	2,686,697	3,891,448
Alliance, Pa. ....	302,253	437,787
Phila. F. & M. ....	167,919	243,215
Central Fire, Md. ....	151,127	218,894
National Security. ....	50,376	72,964
<b>Total .....</b>	<b>\$8,590,036</b>	<b>\$10,148,267</b>
Penna. Cas. ....	\$4,695,461	\$4,262,289
Manufac. Cas. ....	2,903,621	3,407,550
Calvert .....	771,895	6,271,471
Manufac. Fire, Pa. ....	125,223	192,685
Cavalier .....	103,278	24,651
Plymouth .....	19,529	377,180
<b>Total .....</b>	<b>\$8,570,940</b>	<b>\$14,535,826</b>
Continental Cas. ....	\$7,218,921	\$7,822,206
Natl. Cas. ....	5,492,680	607,708
Transportation .....	263,965	266,229
<b>Total .....</b>	<b>\$8,010,247</b>	<b>\$8,696,143</b>
New Amsterdam .....	\$4,618,498	\$4,564,493
U. S. Casualty .....	2,585,310	2,248,819
<b>Total .....</b>	<b>\$7,203,808</b>	<b>\$6,813,312</b>
Allstate .....	\$5,492,680	\$5,111,266
Allstate Fire .....	1,706,416	1,725,935
<b>Total .....</b>	<b>\$7,199,096</b>	<b>\$6,837,201</b>
Preferred Acci. ....	\$5,686,595	\$5,205,111
Protective Indem. ....	1,024,836	754,460
<b>Total .....</b>	<b>\$6,711,432</b>	<b>\$5,959,571</b>
St. Paul Mer. Ind. ....	\$3,844,139	\$3,768,914
St. Paul F. & M. ....	2,121,621	2,601,775
Mercury .....	454,774	546,874
<b>Total .....</b>	<b>\$6,420,534</b>	<b>\$6,917,563</b>
Ohio Cas. ....	\$6,005,304	\$6,472,376
Ohio Insurance .....	373,825	394,993
<b>Total .....</b>	<b>\$6,379,129</b>	<b>\$6,867,369</b>
Great Amer. Ind. ....	\$4,281,527	\$4,277,191
Great American .....	1,297,433	1,526,146
Amer. Alliance .....	168,127	197,323
Detroit F. & M. ....	67,661	79,311
Rochester Amer. ....	67,661	79,311
County, Pa. ....	34,036	39,846
Mass. F. & M. ....	34,036	39,846
<b>Total .....</b>	<b>\$5,950,481</b>	<b>\$6,238,974</b>
Fireman's Fd. Ind. ....	\$2,495,193	\$2,358,901
Fireman's Fund. ....	2,148,496	3,235,597
Occidental Indem. ....	780,153	810,180
Home F. & M. ....	474,343	714,352
<b>Total .....</b>	<b>\$5,898,185</b>	<b>\$7,119,030</b>
General Cas. ....	\$3,496,547	\$3,399,617
General, Seattle .....	2,067,648	2,224,510
First National .....	133,911	206,445
<b>Total .....</b>	<b>\$5,698,106</b>	<b>\$5,830,572</b>
Federal .....	\$2,244,336	\$2,807,461
U. S. Guar. ....	2,236,316	2,354,928
Vigilant .....	355,860	85,200
Alliance, Eng. ....	335,118	474,046
Marine .....	332,128	474,046
Sea .....	168,749	197,913
<b>Total .....</b>	<b>\$5,072,507</b>	<b>\$6,393,594</b>



"A deductible collision policy is so reasonable, I can't see why you don't carry one."

	1942	1941
Columbia Cas. ....	\$1,332,492	\$1,304,290
Ocean Accident .....	2,293,978	2,298,342
Coml. Union, Eng. ....	658,513	945,439
American Central. ....	257,784	507,812
California .....	222,711	319,700
Union, London .....	161,600	231,960
Palatine .....	157,253	225,708
Coml. Union, N. Y. ....	139,711	200,574
British General .....	61,111	87,740
<b>Total .....</b>	<b>\$5,381,153</b>	<b>\$6,121,565</b>
Zurich Gen. Acci. ....	\$4,680,503	\$4,738,184
Zurich Fire .....	596,758	682,289
Am. Guar. & Lib. ....	94,895	13,092
<b>Total .....</b>	<b>\$5,372,156</b>	<b>\$5,433,565</b>
Glens Falls Ind. ....	\$3,197,962	\$3,004,416
Glens Falls .....	1,311,165	1,933,396
Commerce .....	225,331	233,511
<b>Total .....</b>	<b>\$4,734,458</b>	<b>\$5,171,323</b>
London Guar. & Ac. ....	\$2,203,072	\$2,149,141
Phoenix Indem. ....	1,545,670	1,559,787
Phoenix, London .....	526,893	615,950
United Firemen's .....	146,359	171,097
Imperial .....	136,602	159,691
Columbia, N. Y. ....	107,330	125,471
Union Marine .....	58,543	68,439
<b>Total .....</b>	<b>\$4,724,469</b>	<b>\$4,840,576</b>
American, N. J. ....	\$2,103,166	\$2,099,413
Columbia, O. ....	89,496	89,337
Dixie Fire .....	44,748	44,668
Bankers Indem. ....	1,886,269	1,841,167
<b>Total .....</b>	<b>\$4,123,679</b>	<b>\$4,074,585</b>
Natl. Hartford .....	\$3,241,156	\$4,847,415
Mechanics & Trade .....	240,772	360,094
Franklin Nat'l. ....	111,125	166,197
Transcontinental .....	111,125	166,197
<b>Total .....</b>	<b>\$3,704,178</b>	<b>\$5,539,903</b>
Trinity Universal. ....	\$3,391,328	\$3,704,438
Security Nat'l. ....	25,647	25,950
<b>Total .....</b>	<b>\$3,416,975</b>	<b>\$3,730,388</b>
Pacific, N. Y. ....	\$1,329,856	\$2,436,477
Bankers & Ship. ....	1,328,033	2,287,267
Jersey .....	664,017	1,272,902
<b>Total .....</b>	<b>\$3,321,906</b>	<b>\$5,996,646</b>
Central Sur. Fire. ....	\$354,125	\$430,458
Central Surety .....	2,880,850	3,239,690
<b>Total .....</b>	<b>\$3,234,975</b>	<b>\$3,670,148</b>
Amer. Surety .....	\$1,844,946	\$1,647,503
N. Y. Cas. ....	1,187,447	1,043,742
<b>Total .....</b>	<b>\$3,032,393</b>	<b>\$2,691,245</b>
London & Lanc. ....	\$512,632	\$596,237
Orient .....	216,338	247,888
Law Union & Rock .....	83,883	90,632
Safeguard .....	142,264	135,339
Standard Marine .....	46,044	97,654
Marine, Eng. ....	332,128	474,046
Lon. & Lanc. Ind. ....	1,576,443	1,529,208
<b>Total .....</b>	<b>\$2,909,732</b>	<b>\$3,171,004</b>
American States. ....	\$2,769,258	\$2,788,816
American States F. ....	108,048	.....
<b>Total .....</b>	<b>\$2,877,306</b>	<b>\$2,788,816</b>
Swiss Reins. ....	\$100,951	\$50,315
Europe Gen. Reins. ....	2,685,466	3,537,156
<b>Total .....</b>	<b>\$2,786,417</b>	<b>\$3,587,471</b>
Royal Exchange .....	\$403,353	\$909,306
Car & General. ....	2,309,212	3,043,560
<b>Total .....</b>	<b>\$2,712,565</b>	<b>\$3,952,866</b>
Buckeye Un. Cas. ....	\$2,475,999	\$2,558,290
Buckeye Un. Fire. ....	154,387	141,615
<b>Total .....</b>	<b>\$2,630,386</b>	<b>\$2,699,905</b>
New England Cas. ....	\$280,010	\$233,850
Springfield F. & M. ....	1,905,108	2,540,813
Sentinel .....	54,313	72,257
Mich. F. & M. ....	223,934	298,636
New England .....	55,984	74,659
<b>Total .....</b>	<b>\$2,519,340</b>	<b>\$3,220,215</b>
Sun .....	\$551,365	\$981,843
Sun Underwriters. ....	110,031	115,228
Patriotic .....	163,671	243,470
Sun Indemnity .....	1,582,023	1,438,099
<b>Total .....</b>	<b>\$2,357,090</b>	<b>\$2,778,640</b>

(CONTINUED ON NEXT PAGE)



"George, this ruins me. Why didn't you insist that I buy higher limits on my auto liability insurance?"



The average person is saving nearly six times more money in 1943 than he did in 1940 - which means that his automobile liability insurance which protects his savings is six times more valuable to him.

## Some Dealers Luke Warm to Profits Form

The profits form which was brought out for dealers with stocks of frozen new cars on their hands has been written to some extent even though it is a special form for a special situation that will not continue to exist indefinitely.

### One Dealer's Reaction Given

Some of the automobile dealers have not been enthusiastic toward offers of protection. A dealer in a large midwest city explains that in practice he doesn't have any profits on frozen new cars to protect. A prospective purchaser with a priority order will come into his salesroom and ask to see a new car. One of his first questions is, "What will you give me for my old car?" The dealer looks in the blue book and finds that the trade-in car is worth \$68. The prospect goes to the next dealer and gets a trade-in offer of \$150. He is still not satisfied and goes to a third who offers him \$300. The prospect buys the car. What has actually occurred is that the dealer has transferred his profit in the sale of the new car to the second hand car which, he feels, because it is not frozen, he can readily sell and realize his profits now. Thus he actually has no profit in frozen new cars to protect.

### Take Cars to Defense Centers

Many of the smaller dealers are securing Reconstruction Finance Corporation loans on their stocks of frozen new cars, or these are being bought by larger dealers who are shipping them to centers where because of war activity there is a ready market among buyers with priority orders. One dealer got together 1,000 to 1,500 such new automobiles in one city, and has them stored in a dozen locations. He wanted a lot of profit insurance but he wanted it on second hand cars as well as new cars. He could not find a market for the business in the U. S., but was able to get it from London Lloyds.

	Premiums 1942	Premiums 1941
United States F...	\$556,041	\$940,142
North River .....	340,394	645,162
Richmond .....	49,629	128,108
British Amer. ....	20,544	44,473
Western, Ont. ....	66,746	123,772
Allemania .....	154,518	249,291
Westchester .....	968,582	1,191,113
Southern, N. C. ....	60,278	67,476
<b>Total .....</b>	<b>\$2,216,732</b>	<b>\$3,389,537</b>
West. Fire, Kan. ....	\$582,971	\$562,523
Western C. & S. ....	1,628,516	1,681,380
<b>Total .....</b>	<b>\$2,211,487</b>	<b>\$2,243,903</b>
Amer. Fire, Tex. ....	\$98,025	\$153,368
Amer. Indem. ....	2,074,907	2,325,860
<b>Total .....</b>	<b>\$2,172,932</b>	<b>\$2,479,228</b>
Security, Conn. ....	\$639,627	\$689,088
East & West. ....	159,906	172,272
Connecticut Ind. ....	1,254,742	1,209,995
<b>Total .....</b>	<b>\$2,054,275</b>	<b>\$2,071,355</b>
General Reins. ....	\$1,976,055	\$1,889,422
North Star Reins. ....	49,632	253,383
<b>Total .....</b>	<b>\$2,025,687</b>	<b>\$2,142,805</b>
Ohio Farmers ....	\$930,738	\$1,315,585
Ohio Farm. Indem. ....	1,065,512	964,190
<b>Total .....</b>	<b>\$1,996,250</b>	<b>\$2,279,775</b>
No. Brit. & Merc. ....	\$485,977	\$862,161
Pennsylvania ....	614,654	789,833
Commonwealth ....	296,026	391,921
Mercantile ....	268,578	334,580
Homeland ....	221,777	245,271
<b>Total .....</b>	<b>\$1,887,012</b>	<b>\$2,623,066</b>
National Union ....	\$1,856,179	\$3,339,546
Birmingham, Pa. ....	—	6
<b>Total .....</b>	<b>\$1,856,179</b>	<b>\$3,339,551</b>
Premier ....	\$1,257,061	\$3,646,439
Pacific Nat'l. Fire. ....	528,426	751,275
<b>Total .....</b>	<b>\$1,785,487</b>	<b>\$4,397,714</b>
Emmco ....	\$1,258,129	\$7,195,926
Emmco Cas. ....	496,314	563,405
Motor Indem. ....	—	94,770
<b>Total .....</b>	<b>\$1,754,178</b>	<b>\$7,854,101</b>
Keystone A. Cl. F. ....	\$194,863	\$232,793
Keystone A. Cl. C. ....	1,547,340	1,812,491
<b>Total .....</b>	<b>\$1,742,203</b>	<b>\$2,045,284</b>
Phoenix, Hartford. ....	\$985,683	\$1,662,312
Connecticut ....	594,809	1,003,119
Equit. F. & M. ....	118,962	200,624
Gr. Eastern, N. Y. ....	25,735	26,754
<b>Total .....</b>	<b>\$1,725,189</b>	<b>\$2,892,809</b>
Fire Assn. ....	\$1,291,821	\$4,629,799
Lumbermen's ....	206,691	740,767
Reliance ....	137,794	493,845
Phila. Nat'l. ....	86,121	308,653
<b>Total .....</b>	<b>\$1,722,427</b>	<b>\$6,173,064</b>
Northwestern Nat. ....	\$647,004	\$892,297
Northw. Nat. Cas. ....	939,079	980,813
<b>Total .....</b>	<b>\$1,586,083</b>	<b>\$1,873,110</b>
Pearl Assur. ....	\$619,429	\$746,850
Eureka S. F. & M. ....	590,896	773,983
Monarch Fire ....	256,655	322,748
<b>Total .....</b>	<b>\$1,466,980</b>	<b>\$1,843,581</b>
Agricultural ....	\$1,232,963	\$1,973,630
Empire State ....	209,406	270,080
<b>Total .....</b>	<b>\$1,442,369</b>	<b>\$2,243,710</b>
Pa. Mfrs. Assn. ....	\$186,143	\$184,228
Pa. Mfrs. As. Cas. ....	1,190,519	1,253,466
<b>Total .....</b>	<b>\$1,376,662</b>	<b>\$1,437,694</b>
Merchants, N. Y. ....	\$617,657	\$726,214
Washington Assur. ....	147,082	138,686
Merchants Indem. ....	581,617	681,536
<b>Total .....</b>	<b>\$1,346,356</b>	<b>\$1,546,436</b>
Universal ....	\$942,414	\$2,194,431
Universal Indem. ....	302,940	263,071
<b>Total .....</b>	<b>\$1,245,354</b>	<b>\$2,457,502</b>
Gulf ....	\$508,458	\$921,700
Atlantic, Texas. ....	582,496	501,721
<b>Total .....</b>	<b>\$1,090,954</b>	<b>\$1,423,421</b>
Amer. Equitable. ....	\$370,396	\$536,341
Globe & Republic. ....	213,066	310,312
Knickerbocker ....	161,387	233,692
Merch. & Mfrs. ....	126,993	183,888
New York Fire. ....	186,433	268,171
Switzerland Gen'l. ....	922	486
<b>Total .....</b>	<b>\$1,059,197</b>	<b>\$1,532,890</b>
Assoc. Indem. ....	\$945,034	\$944,717
Assoc. F. & M. ....	81,620	79,156
<b>Total .....</b>	<b>\$1,026,654</b>	<b>\$1,023,873</b>
Atlas ....	\$478,459	\$554,492
Albany ....	91,128	105,617
Quaker City F. & M. ....	429,165	489,455
<b>Total .....</b>	<b>\$998,752</b>	<b>\$1,149,564</b>
Providence Wash. ....	\$814,066	\$1,136,728
Anchor ....	152,118	132,139
<b>Total .....</b>	<b>\$966,184</b>	<b>\$1,268,867</b>
London & Prov. ....	\$38,928	\$61,749
Seaboard F. & M. ....	132,794	116,808
Yorkshire ....	194,642	308,744
Yorkshire Indem. ....	488,261	446,430
<b>Total .....</b>	<b>\$854,625</b>	<b>\$933,731</b>

	Premiums 1942	Premiums 1941
N. J. Mfrs. Assn. F. ....	\$369,415	\$392,949
N. J. Mfrs. As. Cas. ....	472,297	567,862
<b>Total .....</b>	<b>\$841,712</b>	<b>\$960,811</b>
New Hampshire ....	\$506,490	\$1,060,915
Granite State ....	286,515	335,044
<b>Total .....</b>	<b>\$793,005</b>	<b>\$1,395,959</b>
Selected Risks F. ....	\$92,400	\$100,504
Selected Risks Ind. ....	668,453	661,891
<b>Total .....</b>	<b>\$760,853</b>	<b>\$762,395</b>
Boston ....	\$575,830	\$760,180
Old Colony ....	178,354	215,047
<b>Total .....</b>	<b>\$754,184</b>	<b>\$976,227</b>
Globe & Rutgers. ....	\$418,754	\$723,021
American Home ....	93,468	182,731
Ins. Co. St. Pa. ....	209,324	298,761
<b>Total .....</b>	<b>\$721,546</b>	<b>\$1,204,513</b>
London Assur. ....	\$467,011	\$675,722
Manhattan F. & M. ....	235,571	280,241
<b>Total .....</b>	<b>\$702,582</b>	<b>\$955,963</b>
Utilities ....	\$479,450	\$693,361
Preferred Fire ....	144,557	172,920
<b>Total .....</b>	<b>\$624,007</b>	<b>\$866,281</b>
Millers National. ....	\$454,041	\$748,347
Illinois Fire ....	5,341	9,982
<b>Total .....</b>	<b>\$459,382</b>	<b>\$758,329</b>
Northern Eng. ....	\$418,939	\$722,055
Lond. & Scot. ....	39,866	116,008
<b>Total .....</b>	<b>\$458,805</b>	<b>\$838,063</b>
Dubuque F. & M. ....	\$344,710	\$689,926
Natl. Reserve ....	100,407	278,606
<b>Total .....</b>	<b>\$445,117</b>	<b>\$968,532</b>
Caledonian ....	\$214,563	\$500,639
Cal.-Amer. ....	150,831	122,177
Netherlands ....	28,713	116,910
<b>Total .....</b>	<b>\$394,107</b>	<b>\$739,726</b>
Rhode Island ....	\$262,663	\$327,065
William Penn F. ....	9,457	—
<b>Total .....</b>	<b>\$272,123</b>	<b>\$327,065</b>

## NON-STOCK AND MIXED

	Premiums 1942	Premiums 1941
Lumb. Mut. Cas. ....	\$18,458,889	\$18,327,283
Federal Mut. Fire. ....	290,761	352,404
Federal Mut. Liab. ....	12,600	13,206
Nat'l. Retailers M. ....	1,437,547	1,609,769
Amer. Motorists ....	5,989,198	4,964,126
Amer. Motorists F. ....	151,876	78,480
<b>Total .....</b>	<b>\$26,340,871</b>	<b>\$25,345,268</b>
State Farm M. Aut. ....	\$25,645,993	\$25,054,672
State Farm Fire. ....	93,633	73,030
<b>Total .....</b>	<b>\$25,739,626</b>	<b>\$25,127,702</b>
Liberty Mut. ....	\$14,178,920	\$14,568,502
United Mutual Fire ....	1,837,890	1,847,867
<b>Total .....</b>	<b>\$16,016,810</b>	<b>\$16,416,369</b>
Truck Ins. Exch. ....	\$1,765,820	\$1,603,731
Farmers Aut. Cal. ....	9,009,239	8,873,349
<b>Total .....</b>	<b>\$10,775,059</b>	<b>\$10,477,080</b>
Hdwe. Mut. Cas. ....	\$8,061,022	\$8,483,905
Mut. Impl. & Hdwe. ....	590,954	607,614
Hdwe. Di. Mut. F. ....	586,729	463,148
<b>Total .....</b>	<b>\$9,238,705</b>	<b>\$9,554,667</b>
Farm Bur. Mut. O. ....	\$8,359,696	\$7,618,320
Farm Bur. Mut. F. ....	490,434	433,502
<b>Total .....</b>	<b>\$8,850,130</b>	<b>\$8,051,822</b>
Amer. Mut. Liab. ....	\$4,071,188	\$4,151,162
Am. Policyholders. ....	2,025,453	1,561,887
Allied Am. M. F. ....	818,547	802,196
<b>Total .....</b>	<b>\$6,915,188</b>	<b>\$6,515,245</b>

## Indiana's New Safety-Financial Responsibility Act

EFFECTIVE JULY 1, 1943

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No, it is not a compulsory act,

But, just as a careful person paints his house to preserve it, so every careful person, if he understands the Act, will buy Automobile Liability insurance to preserve his right and ability to drive and to protect his savings.

It is the duty of the insurance industry to see that all motorists understand this new law.

**INDIANA** INSURANCE COMPANY  
INDIANAPOLIS

# Stock Casualty Companies Show Only Minor Loss in 1942

The second best automobile year in their history was experienced in 1942 by the stock casualty companies. Their auto premiums totaled \$292,562,378, a decrease of only \$635,886 from the 1941 total of \$293,198,264 which was an all time high record.

This is an excellent showing. The rather heavy reduction in rates made at the end of the year will probably result in a considerably larger decline in total premiums in 1943. But practically all of the huge gain of \$34,806,045 made in 1941 was retained in 1942. The companies lost about \$3,500,000 public liability premiums and roughly \$500,000 on collision, but this was substantially offset by an increase in property damage premiums of more than \$4,500,000.

The loss ratio improved slightly, declining from 45.5 to 43.3. This improvement came substantially from the betterment in property damage experience. In 1941 this was about 55%, in 1942 approximately 47%. The public liability experience was roughly 42% as compared with 43 a year ago, and collision experience both years was about 45%.

## Few Shifts Among Leaders

There were very few shifts among the stock casualty leaders. Travelers maintained its hold on first place, although the margin between it and Hartford Accident in second place was narrowed from approximately \$1,000,000 to about \$400,000. Hartford Accident

showed a gain of 2.78%. Travelers Indemnity this year earned a place among the leaders, going into ninth place. Aetna Casualty, though it lost some \$700,000 as compared with 1941, advanced a notch into third place, replacing

Employers Liability, which was sixth, is now seventh, Fidelity & Casualty moves from ninth to eighth, replacing Maryland Casualty, which was edged out of the leaders list. Globe Indemnity made a 0.17% increase in prem-

table showed substantial gains. These included American Motorists, which was up \$1,025,072 to a total of \$5,989,198; Massachusetts Bonding, up \$458,635 to \$5,363,348; Preferred Accident, which gained \$481,485 to a total of \$5,686,596. American Policyholders showed a gain of \$463,566 to a total of \$2,025,455.

Preferred Accident's running mate, Protective Indemnity, also made a substantial gain again in 1942 of \$270,376 bringing its total writings to \$1,024,836. Standard Accident had a gain of \$293,835, and its total, \$6,144,173, places it high in the list. Pennsylvania Casualty had an increase of \$433,172, bringing its total to \$4,695,461. Ohio Farmers Indemnity had \$1,065,512 premiums in 1942, a gain of \$101,322. Indemnity of North America with an increase of \$256,705 to a total of \$5,540,664 was one of the large gainers. Home Indemnity had an increase of \$225,803, which brought its premiums to \$3,203,803. American Casualty showed an increase of \$269,938 to a total of \$2,954,449. Allstate advanced \$381,414 to \$5,492,680.

Because their 1942 reports contained auto fire premiums, both Maine Bonding and Northwestern National Casualty were transferred to the automobile full cover table. The 1941 and 1940 casualty and full cover tables have been adjusted to accommodate these changes in arrangement.

## TEN STOCK CASUALTY AUTO LEADERS

	Prem. 1942	Prem. 1941	% Inc. or Decr.	Prem. 1940	Prem. 1939
1. Travelers .....	\$16,496,757	\$16,609,459	-0.68	\$14,638,138	\$14,093,958
2. Hartford Accident..	16,038,654	15,605,310	+2.78	13,624,327	12,885,517
3. Aetna Casualty ...	13,544,623	14,296,639	-5.25	12,892,617	12,109,717
Aetna Life .....	296	75	.....	—19,629	403,027
4. American Auto ....	13,208,011	14,326,598	-7.81	13,615,036	13,121,740
5. General Accident ..	11,043,972	11,516,374	-4.10	10,539,143	10,783,656
6. U. S. F. & G. ....	10,207,152	9,807,479	+4.08	8,913,240	8,560,538
7. Employers Liability	9,099,357	9,845,918	-7.58	9,201,196	9,013,534
Amer. Employers..	3,987,265	4,085,222	-2.40	3,165,509	2,581,455
8. Fidelity & Casualty	8,137,033	7,987,989	+1.87	6,981,320	6,822,965
9. Travelers Indem. ..	7,841,374	7,766,108	+0.97	6,765,634	6,424,670
10. Globe Indemnity ..	7,651,164	7,638,007	+0.17	6,813,329	6,616,116
Royal Indemnity ..	5,621,488	5,833,028	-3.63	5,203,028	5,270,590
Eagle Indemnity...	2,320,037	2,177,141	+6.56	1,943,050	1,745,554

ing American Automobile, which lost more than \$1,000,000 in premiums. American Auto now is fourth. General Accident continues in fifth place, but U.S.F.&G. with a 4.08% increase in premiums moved from seventh to sixth

place and went into the leaders' table in 10th place. Continental Casualty, with a decrease of 7.71%, also failed to be among the 10 leaders by a narrow margin.

Several companies not in the leaders

## Automobile Premiums and Losses of Stock Casualty Companies

	1942					1941					1940					
	Net Prem.	Total Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Liability Net Prem.	Total Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Collision Net Prem.	Total Paid Losses	Loss Ratio	Inc. or Dec. in Prem.	Net Prem.	Total Paid Losses	Loss Ratio	
Accident & Cas...	1,772,930	1,393,523	77.5	-838,815	1,342,322	1,061,222	423,104	325,960	7,504	6,341	2,611,745	1,133,052	43.3	+699,143	1,912,602	
Aetna Cas. ....	13,544,623	5,265,509	38.9	-762,016	10,274,477	3,830,312	3,263,730	1,425,068	6,416	1,129	14,296,639	5,535,341	38.7	+1,404,022	12,892,617	
Aetna Life .....	296	11,406	396	+221	296	11,406	396	296	.....	.....	75	62,927	.....	259,601	.....	
Allstate .....	5,492,680	1,664,311	30.3	+381,414	4,137,941	1,164,620	1,354,739	499,691	.....	.....	5,111,266	1,662,116	32.5	+1,540,281	3,570,985	
Amer. Auto ....	13,208,011	4,995,569	37.9	-1,118,587	9,778,807	3,423,014	3,416,814	1,567,922	12,390	4,633	14,326,598	6,151,150	42.9	+711,562	13,615,036	
Amer. Cas. ....	2,954,449	1,381,926	46.7	+260,938	2,099,986	973,678	816,291	390,889	38,172	17,359	2,693,511	1,509,236	56.0	-259,361	2,952,872	
Amer. Employ. ....	3,987,265	1,714,045	43.0	-97,957	2,936,514	1,253,163	987,761	435,482	62,990	25,400	4,085,222	1,656,667	40.5	+918,713	3,166,509	
Am. Fid. & Cas. ....	4,310,089	2,253,083	52.2	+27,569	3,424,451	1,623,143	985,638	629,940	.....	.....	4,282,520	2,282,380	53.2	+471,462	3,811,058	
Amer. Fidelity ..	274,651	105,658	38.1	-24,012	172,467	57,468	86,322	41,743	16,060	6,446	298,663	130,099	43.5	+16,942	281,721	
Am. Guar. & Liab. ....	94,895	14,661	15.4	+81,803	71,119	9,419	23,433	5,242	343	.....	13,092	109	0.8	.....	.....	
Am. Motorists ..	5,989,198	2,244,113	37.6	+1,025,072	4,273,283	1,735,459	2,269,993	490,572	446,992	18,082	4,964,126	2,308,553	46.5	+428,600	4,535,526	
Am. Policyholders	2,026,453	797,175	39.0	+463,566	1,375,523	547,986	642,026	245,723	7,904	3,466	1,561,887	844,586	54.0	+310,055	1,251,832	
Am. Reinsurance. ....	603,660	290,541	48.0	-219,039	569,349	287,720	32,177	2,821	2,134	.....	822,699	315,839	38.3	+112,432	710,267	
Amer. Surety .....	1,844,946	748,590	40.6	+197,443	1,369,747	549,408	463,673	193,550	11,526	5,632	1,647,503	639,833	38.8	+226,257	1,421,246	
Arex Indem. ....	69,420	48,134	69.5	-4,559	50,078	37,244	19,342	10,890	.....	.....	73,979	18,297	24.7	+25,802	48,177	
Assoc. Indem. ....	945,034	413,533	43.6	+317	521,180	185,254	211,546	112,135	196,740	104,874	944,717	511,864	54.1	+215,734	728,983	
Atlantic Cas. ....	147,187	43,562	29.1	-13,478	107,464	30,424	39,723	13,138	.....	.....	160,665	45,544	28.3	+55,673	104,992	
Bankers Indem. ....	1,886,269	763,485	40.0	+45,102	1,408,749	511,154	465,065	244,829	12,465	7,502	1,841,167	816,387	44.3	+33,129	1,808,038	
Bituminous Cas. ....	27,173	6,780	25.0	.....	20,325	3,225	6,848	3,355	.....	.....	.....	.....	.....	.....	.....	
Canadian Indem. ....	102,240	37,903	37.1	+21,108	75,578	13,709	26,662	11,241	.....	.....	81,132	23,300	28.7	+19,010	62,122	
Car & General. ....	2,309,212	1,336,797	57.5	-734,348	1,702,025	1,004,739	578,364	322,696	28,823	5,362	3,043,560	1,881,661	61.8	+328,441	2,715,119	
Central Surety .....	2,880,850	1,627,909	56.2	-358,840	2,196,744	1,225,334	670,369	399,031	13,737	3,544	2,329,639	1,386,083	59.7	+565,056	2,674,634	
Century Indem. ....	3,355,543	1,545,818	46.0	+188,256	2,534,540	1,160,718	801,577	375,006	6,094	3,167,287	1,636,746	51.6	+183,697	2,980,590		
Citizens Cas. ....	923,953	412,235	45.3	-14,940	732,907	313,148	200,580	98,914	.....	.....	173	474,093	413,841	42.4	+197,767	776,326
Columbia Cas. ....	1,332,492	513,172	38.4	+28,202	980,439	349,885	341,473	157,416	10,580	5,871	1,304,290	543,235	41.6	+186,873	1,117,417	
Commercial Cas. ....	3,716,499	1,871,755	50.5	-198,602	3,125,375	1,560,691	572,879	301,886	18,245	9,178	3,205,101	2,306,743	58.9	+501,473	3,413,628	
Conn. Indem. ....	1,254,742	566,125	45.0	+44,747	930,192	414,258	322,297	147,489	2,253	3,388	1,209,995	406,919	33.6	+339,752	870,243	
Continental Cas. ....	7,218,921	3,491,088	48.2	-603,285	5,432,900	2,556,897	1,764,565	922,922	21,466	11,269	7,822,206	4,681,117	59.8	+720,824	7,101,382	
Dearborn Nat. Cas. ....	93,654	132,751	141.0	-160,670	61,594	90,516	31,924	42,618	136	-383	254,324	244,495	96.1	-246,231	500,555	
Eagle Indem. ....	2,320,037	1,267,900	54.0	+142,896	1,749,417	944,069	559,623	312,085	11,997	11,746	2,177,141	1,405,340	64.5	+234,091	1,943,050	
Emmco Cas. ....	496,314	219,175	44.3	-67,901	358,726	133,111	137,588	86,064	.....	.....	563,405	167,991	29.8	+224,035	339,370	
Employers Liab. ....	9,099,357	4,451,221	49.0	-746,561	6,779,529	3,435,105	2,122,544	943,403	197,284	72,713	9,845,918	4,239,022	43.0	+644,722	9,201,196	
Employers Re. ....	5,066,016	2,296,354	46.0	-72,001	4,677,643	1,961,482	482,116	294,541	6,257	40,331	5,138,017	1,609,104	31.3	+893,755	4,244,262	
Eureka Cas. ....	322,269	202,539	61.0	-64,614	234,727	136,876	94,869	64,544	2,673	1,209	396,883	266,559	67.1	+56,120	340,763	
European Gen. Re. ....	2,685,466	1,047,495	57.5	-851,690	2,347,427	1,428,070	329,309	119,354	8,730	71	3,537,156	1,559,538	44.0	-27,464	3,564,620	
Excess, N. Y. ....	895,964	257,287	28.9	+327,421	822,033	251,885	73,931	5,402	.....	.....	568,543	475,715	83.6	-285,203	853,746	
Fidelity & Cas. ....	8,137,033	3,513,805	43.2	+149,044	6,114,837	2,569,550	1,954,965	920,670	67,231	23,585	7,987,989	4,337,252	54.2	+1,006,669	6,981,320	
Fireman's Fd. Ind. ....	2,495,193	917,259	36.8	+136,292	1,898,136	605,659	581,902	305,354	15,155	6,246	2,358,901	955,449	40.5	+356,963	2,001,938	
General Accident. ....	11,043,972	4,638,398	42.0	-472,402	8,162,460	3,286,228	2,651,787	1,163,500	229,724	188,669	11,516,374	4,374,249	37.9	+977,231	10,539,143	
Gen. Cas. Wash. ....	3,496,447	1,556,441	44.5	+96,930	2,553,975	1,051,980	442,238	504,376	334	85	3,399,617	1,348,641	39.6	+635,005	2,764,612	
General Reins. ....	1,976,055	713,796	36.0	+86,633	1,833,894	708,028	130,419	5,768	11,742	.....	1,889,422	672,761	35.6	+212,934	1,676,488	
Gen. Tr. C. & S. ....	1,942,875	823,264	42.3	+437,496	1,677,482	711,526	265,393	111,738	.....	.....	1,505,379	538,449	35.8	+149,810	1,355,569	
Glens Falls Ind. ....	3,197,962	1,261,717	39.5	+193,546	2,397,447	920,982	773,890	328,025	26,625	12,710	3,004,416	1,198,356	39.8	+414,121	2,590,295	
Globe Indem. ....	7,651,164	3,702,738	48.5	+13,157	5,857,257	2,859,512	1,738,063	816,705	55,844	25,476	7,638,007	3,409,453	44.6	+824,178	6,813,829	
Gr. Am. Indem. ....	4,281,527	1,756,750	41.3	+4,336	3,194,597	1,254,415	1,069,564	492,092	17,365	10,243	4,277,191	2,360,019	52.8	+346,267	3,930,924	
Hdwe. Indem. ....	1,072,370	242,177	22.6	+409,742	786,788	145,178	286,582	96,999	.....	.....	663,628	180,888	27.2	+298,674	364,954	
Hartford Accel. ....	16,038,654	7,109,961	44.3	+433,344	11,989,494	5,249,658	3,770,887	1,751,554	278,273	107,849	15,605,310	6,727,088	43.1	+1,980,983	13,624,327	
Home Indem. ....	3,293,803	1,319														



	1942								1941								1940									
	Net Premia.	Total Paid Losses	Loss Ratio %	Inc. or Dec. in Premia.	Liability Net Premia.	Total Paid Losses	Prop. Damage Net Premia.	Collision Paid Losses	Net Premia.	Total Paid Losses	Loss Ratio %	Inc. or Dec. in Premia.	Net Premia.	Total Paid Losses	Loss Ratio %	Inc. or Dec. in Premia.	Net Premia.	Total Paid Losses	Loss Ratio %	Inc. or Dec. in Premia.	Net Premia.	Total Paid Losses	Loss Ratio %	Inc. or Dec. in Premia.		
New England Cas.	280,010	127,297	45.4	+46,160	210,774	92,976	69,236	34,321	233,850	61,670	26.0	+225,079	8,771	489	5.5		526,032	184,825	35.1		526,032	184,825	35.1			
N. Y. Mfrs. Cas.	472,297	219,672	46.5	-95,565	472,297	219,672			567,862	229,879	40.4	+41,830	526,032	184,825	35.1		526,032	184,825	35.1		526,032	184,825	35.1			
N. Y. Cas.	1,187,447	481,675	40.8	+143,765	878,025	351,594	303,846	127,232	1,043,742	435,967	41.7	+154,199	889,543	380,540	42.7		889,543	380,540	42.7		889,543	380,540	42.7			
No. Am. C. & S. Re.	307				295		12																			
Norwich Union	262,698	78,728	30.0	+84,841	188,340	52,937	69,632	24,353	177,857	75,278	42.3	+38,322	139,535	59,081	42.3		139,535	59,081	42.3		139,535	59,081	42.3			
Occidental Indem.	780,153	362,075	46.5	-30,027	583,437	276,853	192,315	80,853	810,180	253,664	31.3	+245,963	564,217	218,593	38.7		564,217	218,593	38.7		564,217	218,593	38.7			
Ocean Acci.	2,293,978	1,036,712	45.0	-4,364	1,704,387	779,961	571,779	249,534	2,298,342	972,513	42.3	+187,837	2,110,505	952,345	45.1		2,110,505	952,345	45.1		2,110,505	952,345	45.1			
Ohio Farmers Ind.	1,065,512	385,838	36.4	+101,322	752,160	236,937	313,352	148,901	964,190	312,783	32.4	+220,282	743,908	241,009	32.3		743,908	241,009	32.3		743,908	241,009	32.3			
Pa. Mfrs. A. Cas.	1,190,519	407,210	34.2	-62,947	711,753	216,123	294,452	125,825	184,314	65,262	35.4	+144,542	1,108,924	481,282	43.4		1,108,924	481,282	43.4		1,108,924	481,282	43.4			
Peerless Cas.	690,337	248,750	36.0	-42,148	551,103	190,423	87,860	31,905	732,485	102,873	14.0	+434,490	297,995	44,528	14.9		297,995	44,528	14.9		297,995	44,528	14.9			
Penna. Cas.	4,695,461	2,377,111	50.5	+433,172	3,241,326	1,620,628	1,436,590	743,649	4,262,289	2,744,646	64.3	+1,111,649	3,150,640	1,459,714	46.3		3,150,640	1,459,714	46.3		3,150,640	1,459,714	46.3			
Phoenix Indem.	1,545,670	702,694	45.5	-14,117	1,138,620	517,481	399,807	183,342	1,559,787	646,909	41.4	+178,978	1,380,809	533,898	38.6		1,380,809	533,898	38.6		1,380,809	533,898	38.6			
Preferred Acci.	5,636,596	2,530,850	44.9	+481,485	4,140,140	1,801,910	1,338,851	632,932	5,205,111	2,689,346	51.6	+1,208,362	3,996,749	1,886,073	47.2		3,996,749	1,886,073	47.2		3,996,749	1,886,073	47.2			
Protect Indem.	1,024,836	506,381	49.7	+270,376	678,191	340,558	304,823	129,240	1,389,582	754,460	54.3	+230,898	1,158,684	523,562	45.2		1,158,684	523,562	45.2		1,158,684	523,562	45.2			
Royal Indem.	5,621,488	2,853,542	50.9	-211,540	4,220,837	2,147,687	1,360,490	669,788	5,833,028	3,501,183	60.2	+630,000	5,203,028	2,868,238	55.1		5,203,028	2,868,238	55.1		5,203,028	2,868,238	55.1			
St. Paul-Merc. Ind.	3,844,139	1,499,049	38.8	+75,225	2,741,852	995,007	902,372	423,473	3,768,914	1,436,243	38.1	+714,475	3,054,439	1,106,100	36.2		3,054,439	1,106,100	36.2		3,054,439	1,106,100	36.2			
Seaboard Surety	2,058	180	8.8	+2,024	1,419		639	180	34				581	615			581	615			581	615				
Sel. Risks Indem.	668,453	308,335	47.8	+6,362	456,767	211,191	196,301	97,340	661,891	262,789	39.7	+43,734	618,157	228,418	36.9		618,157	228,418	36.9		618,157	228,418	36.9			
Standard Acci.	6,144,173	2,093,834	34.0	+293,835	4,949,190	1,615,571	1,142,501	459,396	5,833,028	1,971,362	33.6	+1,286,632	4,546,706	1,698,083	37.2		4,546,706	1,698,083	37.2		4,546,706	1,698,083	37.2			
Stand. Sur. & C.	1,483,055	1,003,053	67.0	-29,633	1,119,117	732,667	359,364	269,075	1,512,688	878,399	58.0	-152,320	1,665,008	752,798	45.2		1,665,008	752,798	45.2		1,665,008	752,798	45.2			
Sun Indemnity	1,522,023	749,029	49.0	+93,924	1,051,697	517,739	470,208	229,472	1,438,099	866,399	60.2	+37,298	1,400,801	720,353	51.4		1,400,801	720,353	51.4		1,400,801	720,353	51.4			
Travelers	16,496,757	8,666,470	52.0	-112,702	16,496,757	8,666,470			16,609,459	8,624,697	51.9	+1,971,321	14,638,138	6,139,737	41.9		14,638,138	6,139,737	41.9		14,638,138	6,139,737	41.9			
Travelers Indem.	7,841,374	3,625,456	46.3	+75,266	1,558,459	767,190	5,658,065	2,555,100	7,766,108	3,536,296	45.5	+1,000,474	6,765,634	2,980,646	44.0		6,765,634	2,980,646	44.0		6,765,634	2,980,646	44.0			
Tri-State Cas.	28,235	11,381	40.3	+6,705	19,819	8,564	8,416	2,527	21,530	8,004	37.0	+10,474	11,056	272	2.5		11,056	272	2.5		11,056	272	2.5			
U. S. Cas.	2,585,310	1,082,605	40.0	+336,491	1,973,537	753,627	598,584	321,854	2,248,819	969,904	43.1	+222,951	2,025,868	928,143	45.8		2,025,868	928,143	45.8		2,025,868	928,143	45.8			
U. S. P. & G.	10,207,152	4,138,076	40.5	+399,673	7,531,599	2,900,656	2,417,848	1,074,772	9,807,479	5,213,425	53.1	+894,239	8,913,240	3,827,653	42.9		8,913,240	3,827,653	42.9		8,913,240	3,827,653	42.9			
U. S. Guar.	2,236,316	988,206	44.0	-118,612	1,658,617	710,826	525,507	255,747	2,363,928	1,110,291	47.1	+170,031	2,184,897	888,389	40.4		2,184,897	888,389	40.4		2,184,897	888,389	40.4			
Universal Indem.	302,940	145,146	48.0	+39,869	222,415	105,873	80,525	39,273	263,071	122,374	46.5	+59,610	203,461	75,934	37.3		203,461	75,934	37.3		203,461	75,934	37.3			
Utilities, Mo.	479,450	312,742	65.2	-213,911	210,386	187,078	174,279	79,805	693,361	412,716	59.5	+145,495	547,866	316,777	57.8		547,866	316,777	57.8		547,866	316,777	57.8			
Virginia Sur.	239,191	68,734	28.7	+173,946	156,372	30,612	72,254	32,195	9,297	65,245	13,721	21.0	+46,410	18,835	6,081	37.0		18,835	6,081	37.0		18,835	6,081	37.0		
West C. & S. Kan.	1,628,516	701,746	43.2	-52,864	1,172,420	473,272	444,256	224,234	1,681,380	779,328	46.3	+121,460	1,559,920	750,903	48.1		1,559,920	750,903	48.1		1,559,920	750,903	48.1			
Yorkshire Indem.	488,261	187,378	38.4	+41,831	352,890	123,005	133,715	64,014	446,430	245,490	54.3	+66,925	379,505	177,052	47.0		379,505	177,052	47.0		379,505	177,052	47.0			
Zurich	4,680,503	2,233,951	48.0	-57,681	3,565,194	1,705,851	1,104,640	522,174	4,738,184	2,103,531	44.3	+48,198	4,689,986	2,003,577	42.7		4,689,986	2,003,577	42.7		4,689,986	2,003,577	42.7			
Total	292,562,378	127,840,875	43.3	-635,886	220,195,096	93,986,818	67,909,287	31,904,567	4,264,000	1,916,466	293,198,264	133,359,735	45.5	+34,806,045	258,392,219	110,555,941	43.0		258,392,219	110,555,941	43.0		258,392,219	110,555,941	43.0	

## Stock Full Cover Loss Only 8.8%

Although stock full cover companies in 1942 lost \$4,505,430, or 8.8%, of their 1941 premiums, the 1942 total of \$51,532,661 was well ahead of previous years with the 1941 exception, and compared very favorably with the \$48,258,091 in 1940, \$42,018,790 in 1939, and \$37,881,657 in 1938.

The loss ratio declined slightly more than one point, from 43.3 to 42.1. The ratios for the various classes of business in 1942 were, roughly: Fire, theft and comprehensive, 34; liability, 36.7; property damage, 44, and collision 51.5, as against 32.7, 41.5 and 52.5 in 1940.

There were few changes in the standing of the leaders in 1942. Ohio Casualty maintained its hold on first place, approximately \$2,500,000 ahead of Pacific Indemnity which again placed second. The latter widened its lead over Trinity Universal by approximately \$200,000, but Trinity Universal was still in third place

### TEN LEADING STOCK FULL COVER COMPANIES

	Premia.	Premia.	% Inc.	Premia.	Premia.
	1942	1941	or Dec.	1940	1939
1. Ohio Casualty	\$6,005,304	\$6,472,376	-7.22	\$5,938,199	\$4,910,479
2. Pacific Indem.	3,734,702	3,927,746	-4.91	3,579,879	3,238,978
3. Trinity Universal	3,391,328	3,704,438	-8.45	3,186,861	2,981,145
4. American States	2,769,258	2,789,816	-0.70	2,308,269	1,994,968
5. Buckeye Union Cas.	2,475,199	2,558,290	-3.25	2,059,449	1,804,260
6. Northw. Cas., Wash.	2,368,461	2,685,098	-12.1	2,264,365	1,783,265
7. United Pacific	2,335,123	1,650,614	+41.4	1,579,827	1,594,393
8. American Ind., Tex.	2,074,907	2,385,860	-10.7	1,874,853	1,714,053
9. Wolverine	1,868,271	1,743,726	+7.14	1,454,571	1,260,349
10. Employ. Cas., Tex.	1,796,159	1,759,586	+2.08	1,573,808	1,405,031

by a comfortable margin. American States is fourth again in 1942. Buckeye Union Casualty with a decrease of only 3.25% took over fifth place from Northwest Casualty of Washington, whose premiums declined 12.1%. United Pa-

cific, one of the 10 leaders in 1940, but absent in 1941, is seventh for 1942. It had a very substantial gain in all classes of business in 1942, the total increase amounting to 41.4%. American Indemnity of Texas, which was seventh in

1941 is eighth. Wolverine, with a gain of 7.14%, is a newcomer to the table this year. Commercial Standard, eighth in 1941, dropped out of the leaders table with a \$332,212 decrease, but still showed a substantial volume at \$1,720,148. National Automobile of California with a \$621,927 decrease also was replaced in the table for 1942, its No. 9 position being occupied by Wolverine. Employers Casualty of Texas held on to tenth position with a gain of 2.08% in premiums.

There are five new companies in the stock full cover table this year. They are Canadian Fire, Home of Hawaii and West American from the stock fire table, and Northwestern National Casualty and Maine Bonding from the stock casualty table. The fire companies appeared with liability premiums, and the casualty insurers had fire, theft and miscellaneous accounts.

	1942										1941									
	Total		Loss	Inc. or Dec.	Fire, Theft & Comp.		Liability		Property Damage		Collision		Total		Loss	Inc. or Dec.				
	Premia.	Losses	Ratio %	In. or Dec. in Premia.	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Ratio %	In. or Dec. in Premia.				
Am. F. & Cas., Fla.	453,660	164,062	37.0	-20,649	67,977	17,434	204,337	84,300	89,204	33,146	92,142	29,182	474,309	164,804	34.7	+ 69,411				
Amer. Gen'l. Tex.	670,275	300,038	44.7	-178,524	123,048	64,010	303,246	105,182	89,534	35,133	154,447	95,713	848,799	466,506	54.9	-64,622				
Amer. Indem., Tex.	2,074,907	859,340	41.5	-250,953	277,248	92,020	1,052,240	362,249	406,510	198,582	338,909	206,489	2,326,860	1,062,627	45.6	+ 461,007				
Amer. States	2,769,258	1,011,343	36.5	-19,558	138,942	104,433	1,138,942	368,125	663,819	201,412	729,381	337,363	2,788,816	1,386,644	49.7	+ 480,547				
Anchor Cas., Minn.	1,195,990	525,339	44.1	-186,217	177,171	64,668	611,796	250,337	251,030	102,520	226,892	107,814	1,382,207	645,642	46.7	+ 166,095				
Atlantic, Tex.	582,496	205,449	35.3	+ 80,775	90,491	53,065	168,392	91,397	97,758	27,774	226,855	33,213	501,721	220,011	43.8	+ 2,510				
Beneficial Cas., Cal.	-1,649	4,073	.....	-35,600	-569	108	.....	.....	.....	.....	-1,090	3,965	33,951	18,034	53.1	+ 17,091				
Buckeye Un. Cas., O.	2,475,199	1,068,166	42.9	-83,091	272,746	70,234	1,168,118	467,435	530,849	304,629	502,896	225,686	2,558,290	1,037,402	40.5	+ 498,841				
Canadian Fire	124,300	48,517	39.0	+ 15,347	26,648	8,116	26,438	12,130	10,197	3,601	61,014	24,668	108,953	50,198	46.0	+ 46,831				
Coml. Indem., Ind.	133,322	55,157	41.5	+ 44,036	22,042	8,009	35,669	3,196	19,257	4,681	56,354	39,271	89,287	15,298	17.1	.....				
Coml. Stand., Tex.	1,720,148	909,233	53.1	-332,212	184,517	82,121	960,188	537,282	361,754	154,727	213,689	135,103	2,052,360	1,185,053	57.7	-398,380				
Economy Auto., Ill.	610,305	226,249	37.1	-110,982	86,859	25,361	254,038	91,376	130,270	43,482	139,138	66,030	91,287	283,685	39.3	+ 39,118				
Employers, Ala.	204,153	79,526	38.9	-6,320	23,906	5,940	116,812	41,793	33,909	18,137	29,527	13,656	210,473	79,300	37.6	+ 58,638				
Employ. Cas., Tex.	1,796,159	825,677	45.9	+ 36,573	187,254	62,709	973,331	439,008	360,066	199,360	275,508	124,600	1,759,598	871,263	49.5	+ 186,778				
Freeport Mot., Ill.	963,401	340,903	35.3	-79,241	120,945	29,329	462,019	158,264	199,797	85,335	180,640	67,975	1,042,642	379,194	36.3	+ 112,652				
General Cas., Wis.	1,412,475	590,634	41.9	-74,405	131,542	20,706	760,108	363,716	282,034	124,277	238,771	91,935	1,486,880	645,350	43.4	+ 56,385				
Gov't. Employes	986,266	399,015	39.1	-2,861	109,723	44,582	481,632	126,091	168,694	70,580	226,217	158,762	989,127	452,813	46.7	+ 231,070				
Hawkeye Casualty	1,390,555	433,674	31.2	+ 434,226	201,233	52,550	494,675	166,112	421,401	111,086	272,246	104,126	956,329	396,059	41.4	+ 129,627				
Home, Hawaii	57,677	26,786	46.3	-12,583	20,662*	14,022	23,242	8,566	13,773	4,206	.....	.....	70,260	32,433	46.6	+ 49,190				
Hoosier Cas. ....	868,301	358,724	41.4	-83,857	115,078	29,968	347,160	152,505	177,500	80,455	228,563	95,796	912,158	372,919	44.7	+ 112,556				
Illinois Cas. ....	Reinsured by Hawkeye Casualty																			
Illinois Nat'l. Cas.	949,986	323,285	34.0	+ 29,071	116,406	33,525	394,158	117,755	188,941	66,988	251,013	105,884	608,036	248,603	40.8	+ 131,495				
Indiana	915,839	445,187	48.7	-25,154	178,849	47,534	288,518	147,434	317,104	79,207	311,366	171,032	920,915	394,062	42.7	+ 79,366				
Maine Bond & Cas.	228,594	122,504	53.9	2,549	62,432	2,448	146,634	97,608	72,708	32,663	6,653	2,070	237,516	482,017	51.2	+ 118,668				
Mercer Cas.	335,014	141,855	42.5	-336,759	62,349	37,310	153,136	128,351	71,148	25,816	58,254	73,675	671,773	274,070	40.7	+ 136,670				
Mot. Veh. Cas., Ill.	873,687	374,329	42.9	-98,231	153,470	42,068	338,706	176,411	166,555	47,214	214,976	108,636	971,918	397,694	40.9	+ 69,470				
Nat'l. Auto., Cal.	1,356,653	837,702	62.0	-621,927	214,161	117,056	464,604	136,151	188,875	91,793	489,213	492,702	1,978,580	1,036,587	52.3	+ 375,389				
Natl. Indem., Neb.	38,899	7,644	19.5	+ 3,816	7,464	773	12,677	3,244	7,042	686	11,706	2,938	35,073	4,361	12.4	.....				
Nw. Nat. Cas. ....	939,029	382,797	40.9	-41,734	46,522	10,700	611,037	251,657	109,076	31,255	113,664	980,831	439,395	44.7	+ 118,466					
Nw. Cas., Wash.	2,368,461	899,892	38.1	-326,637	344,664	115,935	986,098	290,881	405,510	161,444	332,189	331,632	2,695,098	1,107,529	41.0	+ 430,733				
Ohio Cas.	4,005,304	2,372,911	59.0	-487,072	579,995	166,500	3,238,602	1,254,310	1,331,807	577,726	854,900	274,375	6,472,376	2,637,711	40.7	+ 534,178				
Oregon Auto.	436,266	170,334	39.0	+ 24,521	45,784	10,659	195,104	77,760	86,658	35,869	108,720	46,036	411,745	145,588	35.3	+ 85,261				
Pacific Auto., Cal.	767,133	385,805	50.1	-72,175	70,784	22,728	382,250	196,956	152,340	89,957	161,759	76,164	839,308	367,007	43.7	+ 110,903				
Pacific Employ.	1,460,399	576,575	37.0	-50,449	193,197	62,276	643,165	211,199	245,686	108,908	378,351	194,192	1,510,484	651,126	42.0	+ 266,344				
Pacific Indem.	3,734,702	1,760,077	47.0	-193,044	441,702	171,701	1,917,700	858,709	647,765	352,053	727,535	377,614	3,927,746	1,693,386	43.1	+ 347,867				
Porto Rican & Am.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	127,969	41,908	32.7	+ 50,266				
Prof'd Auto., Mich.	746,047	305,570	41.0	-75,485	129,586	36,008	247,885	93,052	164,198	71,401	204,378	105,289	821,531	349,780	42.5	+ 122,443				
Sub'r'n Auto., Ill.	504,154	192,625	38.5	-43,248	67,366	17,466	230,323	84,021	102,326	38,971	104,140	52,167	547,402	280,459	51.2	+ 48,300				
Tenn. Auto.	432,036	189,639	43.7	-58,763	48,205	18,047	248,711	98,280	93,538	50,296	41,582	23,016	490,799	218,915	44.6	+ 103,380				
Tr'drs & Gn. Tex.	504,705	181,036	36.0	-42,835	70,301	22,908	248,063	73,635	93,520	36,688	92,821	47,805	547,540	183,062	33.4	+ 134,544				
Trinity Universal.	3,391,328	1,633,936	48.0	-313,109	603,839	220,291	1,419,717	535,741	577,834	219,031	789,939	388,873	3,704,438	1,453,771	39.2	+ 517,567				
Union, Ind.	Reinsured by American States																			
United Pacific	2,335,123	787,641	33.9	+ 684,509	229,844	68,133	1,174,232	331,467	453,820	210,903	477,227	177,138	1,650,614	742,029	44.9	+ 70,787				
West American	853,793	485,969	57.0	-247,018	244,269	106,176	91,336	6,153	39,061	3,848	479,127	369,792	1,100,811	617,959	56.0	-157,305				
Wolverine	1,868,271	745,077	40.0	+ 124,545	272,744	87,835	720,847	267,041	312,633	131,217	562,042	258,984	1,743,765	762,962	43.7	+ 289,155				

# Mutuals Repeat '41 Record; State Farm Tops All Auto Insurers

By only about \$1,500,000 did the automobile premiums of mutual companies of all classes combined fail to reach the 1941 total. The premiums last year were about \$161,909,000 which compares with \$162,477,907 the previous year. In point of loss ratio there was an improvement, the ratio for all types of mutual companies in 1942 being 40.4 and in 1941, 41.7.

The mutual companies in the full cover category, that is those writing bodily injury as well as the physical damage coverages made the best showing. The companies in that group had a premium gain of about \$1,100,000, their 1942 premiums being \$72,486,179 as compared with \$71,385,715 the previous year. The mutual casualty companies, that is those that do not write auto fire, theft and comprehensive showed an increase of about \$600,000, their 1942 premiums being \$73,492,959 and their 1941 production \$72,849,821. The mutual fire companies or those that do not write B.I. suffered a decline in premiums of about \$3,000,000 their 1942 premiums being \$15,286,367 as compared with \$18,242,434 the previous year.

As between individual companies the results were uneven, some showing fairly respectable increases, others some substantial declines while still others maintained premium volume at just about the same level.

## State Farm Leading Auto Insurer

State Farm Mutual Automobile of Bloomington, Ill., continues to hold a firm grip on first place among all types of mutual companies in respect of premium volume but this year State Farm is able to lay claim

to even more significant honors. Of all companies writing automobile insurance—stock, mutual, reciprocal and Lloyds—it has the largest premium volume. Its premiums of \$25,645,993 exceed by about \$7,000,000 the second largest automobile writer in the country, with \$18,458,889, Lumbermen's Mutual Casualty.

State Farm went into top position by reason of the great decline in automo-

last year over 1941 of \$591,321. That was one of the largest increases of any mutual company being exceeded only by Farm Bureau Mutual Auto of Ohio that made a gain of \$741,376.

## Lumbermen's Mutual Second

Lumbermen's Mutual Casualty of Chicago retains its second place position among all types of mutual companies, goes into second place among all types

Farm Bureau Mutual Auto of Ohio with a gain in premiums, crowded out for fourth place among all mutual companies Hardware Mutual Casualty of Wisconsin, which suffered a decline in premiums of \$422,883. Farm Bureau Mutual stands second in the mutual full cover category. Hardware Mutual is No. 5 among all mutual companies and third in the mutual casualty group. State Auto Mutual of Ohio continues in sixth place among all mutual companies and in third place among the full cover insurers despite a drop of \$417,723 in premiums. Utica Mutual of New York with a gain of \$380,000 in premiums forged ahead of American Mutual Liability and stands seventh among all mutual companies and fourth in the mutual casualty classification. American Mutual in volume dropped about \$80,000 and it stands now in eighth place among all mutual companies and fifth in mutual casualty.

Merchants Mutual Casualty with a 15.4% gain edges out of ninth place among all mutual companies Auto Owners of Michigan, which had a 3.37% increase. Merchants Mutual stands sixth in the mutual casualty category. Percentage-wise its gain exceeded that of any of the leaders. Auto Owners is tenth among all mutual insurers and fourth among the full cover mutuals.

There are three mutual fire companies with automobile premiums of \$1,000,000 or more. First is United Mutual of Massachusetts, running mate of Liberty Mutual, with premiums of \$1,837,990. In second place is National Retailers Mutual, the Kemper company, with premiums of \$1,437,547 and then Central Manufacturers Mutual of Van Wert, O.

## TEN MUTUAL AUTO LEADERS

	1942	1941	% Inc. or Dec.	1940	1939
1. State Farm Mutual	\$25,645,993	\$25,054,672	+2.36	\$18,106,385	\$15,225,430
2. Lumb. Mut. Cas., Ill.	18,458,889	18,327,283	+0.72	16,829,867	16,320,524
3. Liberty Mutual	14,178,920	14,568,502	-2.67	12,972,279	12,235,569
4. Farm Bur. Mut. A., O.	8,359,696	7,618,320	+9.73	6,266,050	5,395,642
5. Hdwe. Mut. Cas., Wis.	8,061,022	8,483,905	-4.98	7,588,922	7,167,481
6. State Au. Mut., O.	4,502,881	4,920,604	-8.67	4,305,770	4,135,201
7. Utica Mutual	4,338,661	3,958,611	+9.60	3,148,523	3,218,931
8. Am. Mut. Liab., Mass.	4,071,188	4,151,162	-1.93	3,878,419	4,027,075
9. Merch. Mut. Cas., N. Y.	3,876,987	3,358,312	+15.4	3,054,672	3,122,528
10. Auto Owners, Mich.	3,693,898	3,573,616	+3.37	2,879,111	2,631,587

bile finance business which caused General Exchange and Home to lose their predominant positions in the automobile insurance field. State Farm Mutual writes all types of automobile insurance and hence comes under the full cover classification.

Despite rate reductions and other adverse external factors, State Farm was able to pile up an increase in premiums

of companies and holds its lead in the mutual casualty classification by a wide margin and it was able to produce an increase in premiums last year of \$131,606.

Liberty Mutual despite a decline in premiums of \$389,582 is well entrenched in third place among all mutual companies and in second place in the mutual casualty classification.

## 1942 Premiums and Losses of Mutual Full Cover Companies

	1942				1941			
	Total Prem.	Losses	Loss Ratio %	Inc. or Dec. in Prem.	Total Prem.	Losses	Loss Ratio %	Inc. or Dec. in Prem.
Ace Mut., Ia.	137,151	58,119	42.3	-3,763	28,960	9,298	46.140	+27,094
Alliance Mut. Cas.	163,769	66,837	36.2	-3,694	55,324	16,515	50.846	+27,964
Allied Mu. Cas., Ia.	903,295	350,672	38.3	-116,524	168,522	66,623	39.012	+204,730
Allied Mutual, Mo.	30,527	15,572	44.3	-2,700	5,834	1,642	14.272	+4,286
Am. Farm Mut., Ia.	108,309	22,463	20.4	-22,881	10,213	748	66.769	-5,770
Am. Frm. Mut., Minn.	354,401	104,441	29.4	+2,930	44,249	10,608	43.027	+99,769
Am. Mut., Ia.	96,356	66,990	67.4	-3,917	27,714	12,634	5.231	+67,120
Atlantic Seab. Cas.	2,054	1,848	91.5	-2,778	22	11	1.206	-70,584
Auto Owners, Mich.	3,693,898	1,462,602	39.6	+120,282	487,094	146,789	1,421,135	+694,506
Badger St. Cas., Wis.	65,880	20,562	31.1	-930	6,574	1,256	34.644	+3,044
Bankers Mut., D. C.	28,368	7,612	27.0	-2,871	7,873	496	1.000	+20,495
Beacon Mu. In., O.	381,715	161,034	43.5	-3,622	58,493	15,209	55.410	+68,631
Capital Cas., D. C.	Has applied for dissolution.							
Capital, Neb.	59,775	15,120	25.1	-5,309	12,473	3,422	12.966	+125
Celina Mut. Cas., O.	1,131,283	390,330	34.5	+232,767	155,461	31,652	512.946	+119,067
Cent. Mut. Cas., Mo.	184,923	82,202	44.5	-19,637	40,236	16,150	87.510	+20,337
Cent. States Mu., Ia.	100,323	36,368	36.2	-13,436	22,370	7,517	30.761	+12,684
Checker M. A., Mich.	135,977	93,810	68.9	+3,021	9,030	895	47.814	+689
Chl. Ice Prod., Ill.	45,307	9,812	21.7	+1,578	4,510	792	11.146	-1,649
Cit. M. Au., Mich.	1,341,659	567,222	42.3	-16,296	251,151	70,450	448.928	+195,873
Com. M. Bkrs Cas., Mo.	48,062	22,953	47.5	+7,771	10,342	1,939	11.494	+6,239
Cook Co. Frm., Ill.	62,245	24,599	39.5	+5,200	7,067	188	20.625	+6,283
Cooperative Cas., Mo.	12,116	11,820	97.5	-12,568	3,821	1,280	6.497	+12,802
Cooperative M. Ws.	232,201	96,040	41.0	+19,854	21,620	4,801	129.148	+62,889
Empl. Mu. Cas., Ia.	2,306,131	962,974	42.0	+80,370	279,268	102,332	1,173.408	+475,327
Fm. Bu. Mut., Ind.	888,165	372,690	41.5	+153,204	91,317	26,110	292.292	+209,131
Fm. Bu. M. Au., O.	8,359,696	3,539,934	42.2	+741,376	284,644	60,016	3,967.652	+1,352,270
Fm. Bu. M., Kan.	56,845	25,598	45.0	+10,945	5,425	1,172	26.748	+9,690
Fm. Bu. M., Wis.	332,309	141,295	42.8	+43,808	71,007	30,981	119.080	+54,804
Farm M. Au., Wis.	1,747,293	868,691	49.5	-52,256	179,219	48,844	989.115	+359,853
Fm. M. Liab., Ind.	463,521	250,850	54.0	+39,989	73,675	17,748	150.166	+94,511
Fm. Un. M. A., Ia.	231,878	107,024	46.5	+3,672	45,549	11,792	58.033	+16,678
Fidelity Mut., Ind.	201,536	67,200	33.3	-13,232	2,339	-2,639	98.380	+46,076
Frankenmuth, Mich.	390,320	240,214	61.5	-84,523	41,711	10,945	134.741	+88,493
Grange M. Cas., O.	345,473	174,631	50.1	+13,290	37,759	9,714	132.744	+54,530
Home M. Cas., Wis.	259,816	111,124	43.0	-15,602	24,253	4,365	158.907	+57,638
Home Mutual, Ia.	925,005	396,285	43.0	+21,707	160,834	65,225	365.111	+97,187
Ill. Agr. Mut.	2,324,007	1,036,008	43.5	+238,176	222,399	49,282	720.187	+197,803
Inland Mt. W. Va.	252,130	184,778	72.1	-20,891	7,525	1,034	153.546	+197,803
Iowa Farm Mut.	639,803	172,363	26.9	+215,549	55,315	29,186	208.326	+67,568
Ia. M. Cas., De Witt	368,872	126,780	34.3	+12,601	73,551	13,871	24.897	+68,786
Iowa Mut. Liab.	1,486,529	609,115	41.0	-70,225	279,335	104,846	642.478	+85,396
Le Mars Mut., Ia.	113,366	50,652	33.9	+3,335	18,412	3,243	46.364	+316,929
Lin. M. C., Mich.	378,397	146,296	38.6	-55,357	52,308	14,309	145.907	+466
Madison Co., Ill.	214,457	109,086	50.9	-4,108	27,470	5,675	57.050	+84,495
Mer. & Far. Minn.	155,451	66,584	43.0	+24,561	24,621	8,501	68.435	+32,756
Mich. Mut. Auto.	226,842	116,548	51.5	-14,829	36,506	9,000	98.137	+59,748
Mich. Mut. Liab.	3,030,607	1,327,143	43.8	+24,562	411,805	113,047	1,396.697	+37,569
Mid. Cont. Mut., Wis.	Taken over by Wis. Insurance Dept.							
Midland Mut., Ia.	Reinsured by Policyholders Mut. Cas., Ia.							
Mid-West Cas., Ia.								
Milwaukee Auto.	978,544	437,642	45.0	+125,220	103,579	21,405	604.493	+22,669
Minn. Fm. M. Cas.	185,732	95,101	51.5	-38,241	42,478	16,049	59.105	+63,765
Missouri Cas.	43,869	10,700	25.1	-10,734	3,497	709	24.222	+53,631
Monarch Mut., Ia.	27,891	15,547	55.2	-6,559	6,221	8,623	4.700	+15,326

(CONTINUED ON NEXT PAGE)



	1942								1941								
	Total		Loss Ratio %	Inc. or Dec. in Prem.	Fire, Theft & Comp.		Liability		Property Damage		Collision		Total	Loss Ratio %	Inc. or Dec. in Prem.		
	Prem.	Losses			Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses				Prem.	Losses
	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Mot. Car. Mut., Ia.	32,173	11,985	37.0	+614	2,828	612	16,961	5,481	10,642	4,223	2,642	1,669	31,559	21,181	97.7	+340	
Motorists Mut., O.	982,751	415,351	42.1	-114,840	141,476	38,897	415,062	140,009	182,747	104,788	243,466	131,567	1,097,591	425,111	38.7	+135,168	
M. Au. Herman, Wis.	166,679	95,489	57.5	-3,588	14,874	2,501	99,984	58,143	42,860	30,417	9,861	4,428	170,267	108,132	63.5	+15,776	
Mut. Com. Ca., Mo.	27,019	12,977	47.7	+7,513	2,766	4,481	17,703	3,736	3,636	1,197	2,914	3,664	19,506	7,074	36.8	.....	
Nat. F. & Tor., Ia.	78,158	22,411	28.6	+348	17,136	4,728	30,133	4,913	12,811	7,697	18,078	6,073	77,810	32,582	41.8	+3,461	
Mut. M. Cas., Okla.	385,636	326,672	84.9	-273,944	13,244	17,526	240,004	216,066	110,868	56,892	21,520	35,186	659,580	239,992	36.3	+127,774	
Natl. Mut., D. C.	177,098	72,824	42.1	-21,152	54	18	103,730	44,464	73,043	28,292	181	50	198,160	84,574	42.6	+1,509	
North Cent. M., Ia.	152,287	47,278	31.04	+16,824	28,860	8,039	53,934	7,612	34,302	11,071	35,191	20,556	135,463	34,212	25.2	+41,653	
Pioneer M. Cas., O.	46,520	22,098	47.5	+5,411	3,991	989	22,269	8,656	12,991	7,565	7,406	4,885	41,109	28,342	69.0	-8,351	
Pion. M. Com., N. M.	134,236	36,274	27.0	+88,615	6,999	6,767	73,446	24,558	33,718	.....	19,873	4,959	45,621	2,346	9.0	+39,436	
Polycyl. M. C., Ia.	145,806	59,656	40.9	-9,302	32,362	9,661	46,520	17,414	33,855	11,718	37,069	19,317	155,108	89,336	57.4	+49,620	
Progressive Mu., O.	178,861	82,751	34.2	-8,759	29,518	4,242	44,344	14,745	43,700	27,218	817,299	16,546	170,102	51,182	30.0	+61,920	
Republic Mut., O.	209,564	89,506	42.5	-37,236	25,151	8,771	82,015	20,425	42,426	22,095	59,162	38,012	246,890	101,800	41.2	+53,914	
St. Paul Cas. ....	In hands of receiver	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	36,396	1,695	4.6	.....
Sav. M. Cas., Ill.	Reinsured by Ill. Natl. Cas.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	44,859	29,854	66.5	+9,273
Service Mut., Tex.	58,571	21,848	37.5	.....	6,543	3,491	30,248	7,744	13,754	4,512	8,025	6,100	.....	.....	.....	.....	.....
Shelby Mut., O.	1,100,548	331,538	30.1	+89,301	42,745	6,371	668,481	200,678	271,190	113,089	118,132	11,400	1,012,247	424,445	41.9	+150,159	
Stand. M. Cas., Ill.	195,763	63,941	32.8	-9,388	20,191	4,236	97,554	30,576	43,440	15,909	34,578	13,220	205,151	83,278	40.5	-6,670	
Stand. Rel., Neb.	51,878	8,904	17.2	-7,887	9,062	951	21,556	1,662	8,376	1,981	12,884	4,309	59,765	20,579	34.4	+12,658	
State A. Mut., O.	4,502,881	1,861,912	41.3	+177,723	613,925	181,721	2,062,261	720,486	760,520	451,462	1,076,175	508,253	4,920,604	2,002,378	40.6	+614,834	
St. Farm Mut., Ill.	25,645,993	10,727,209	42.3	+591,321	2,586,685	1,073,210	11,457,421	4,147,886	3,351,696	1,786,464	8,070,191	3,719,649	25,054,672	11,688,553	45.3	+6,948,287	
Sunshine Mut., S. D.	17,025	8,824	51.2	+1,605	4,489	1,770	2,812	2,500	1,625	594	8,099	3,960	15,420	7,679	49.7	.....	
Union Fire, Neb.	202,296	102,417	50.6	-31,918	53,497	25,680	51,935	22,947	26,192	11,900	70,672	41,890	234,214	120,839	51.5	+20,926	
U. S. Mut., Ill.	396,617	224,561	56.0	-95,906	34,159	10,227	221,864	198,232	111,568	55,716	29,026	19,386	492,523	228,866	46.4	+3,202	
Va. Auto. Mut. ....	432,369	217,472	51.0	+3,061	6,435	2,229	296,803	142,264	120,351	65,741	8,780	6,538	429,308	243,285	56.6	+56,632	
West. Mut. F., Ia.	304,653	114,896	38.0	+155,703	108,466	35,401	82,806	29,347	44,482	17,639	68,199	32,896	148,750	66,332	44.5	-79,058	
West. Res. Mut., Ia.	38,546	16,246	42.0	+1,329	1,479	1,146	12,912	7,696	3,597	12,772	7,990	3,835	15,331	39.2	.....	.....	
West. St. M., Ill.	234,853	72,618	30.9	-7,781	7,814	2,917	26,449	9,821	11,856	5,662	26,999	242,634	74,699	32.7	+2,358	.....	
Wis. Central Cas.	No 1942 auto business	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,018	456	13.3	-2,358
Wolverine M. Mot.	86,592	43,965	51.0	-6,028	2,552	447	41,988	28,310	23,985	10,436	18,067	4,769	92,620	46,166	49.7	+1,245	
Total .....	72,230,179	30,531,214	42.2	+854,464	7,920,534	2,636,673	32,076,021	12,168,884	13,010,835	6,197,826	19,282,217	9,378,925	71,375,715	32,317,517	45.3	+14,224,792	
#Includes \$64,135 in policy fees.																	
Losses not itemized.																	

## 1942 Premiums and Losses of Mutual Casualty Companies

	1942										1941										1940									
	Total			Inc. or Dec. in Prems.	Liability			Prop. Damage	Collision			Total			Inc. or Dec. in Prems.	Total			Inc. or Dec. in Prems.	Total										
	Net Prems.	Paid Losses	Loss Ratio		Net Prems.	Paid Losses	Loss Ratio		Net Prems.	Paid Losses	Loss Ratio	Net Prems.	Paid Losses	Loss Ratio		Net Prems.	Paid Losses	Loss Ratio		Net Prems.	Paid Losses	Loss Ratio								
Abbey Cas., D. C.	56,244	14,304	25.5	+2,595	42,332	10,087	13,892	4,217	.....	.....	53,629	14,423	26.8	.....	.....	.....	.....	.....	.....	.....	.....	.....								
Amal. Cas., D. C.	77,459	27,139	35.0	+9,715	58,855	20,210	18,585	6,929	19	.....	67,744	19,246	28.4	.....	.....	.....	.....	.....	.....	.....	.....									
Amal. M. A., N. Y.	264,414	149,705	56.2	+40,801	264,414	149,705	.....	.....	.....	.....	305,215	138,490	45.2	-83,392	388,607	131,137	33.7	.....	.....	.....	.....									
Am. M. L., Mass.	4,071,188	1,854,545	46.5	-79,974	3,217,169	1,418,705	797,873	388,952	66,146	26,888	4,151,162	1,957,690	47.1	+272,743	3,878,419	1,921,462	49.5	.....	.....	.....	.....									
Butchers Mut. Cas.	388,161	174,427	45.0	+24,089	305,168	141,843	82,239	31,572	753	1,011	412,250	104,701	25.3	+95,240	377,010	77,891	20.5	.....	.....	.....	.....									
Cheese Mak. M. C.	27,327	12,173	44.2	+11,326	18,389	9,132	8,638	3,041	.....	.....	16,001	4,214	25.5	.....	.....	.....	.....	.....	.....	.....	.....									
Coal Mer. M. N. Y.	346,038	77,345	22.4	+128,247	258,422	49,062	87,796	28,283	.....	.....	217,791	12,168	5.5	.....	.....	.....	.....	.....	.....	.....	.....									
Clough, M. C.	36,322	36,745	100.0	.....	36,322	36,745	100.0	.....	.....	.....	36,322	36,745	100.0	.....	.....	.....	.....	.....	.....	.....	.....									
East. Mut. Mass.	759,694	185,345	24.5	+452,313	706,085	166,562	53,609	18,783	.....	.....	307,381	196,855	64.1	+226,179	81,202	156,270	192.4	.....	.....	.....	.....									
Elec. Mut. Liab.	72,895	19,348	26.3	-4,372	56,379	12,442	16,516	5,906	.....	.....	77,267	14,279	18.4	+4,663	72,604	13,524	18.6	.....	.....	.....	.....									
Empire Mut. N. Y.	518,363	334,324	64.5	+24,401	492,471	320,839	25,892	13,485	.....	.....	493,962	239,652	48.5	-12,068	506,080	259,397	51.2	.....	.....	.....	.....									
Empl. M. L., Wis.	2,636,741	1,138,816	43.0	+176,581	2,778,607	735,694	574,101	279,197	284,780	123,925	2,460,160	1,148,677	46.6	+546,005	1,914,155	1,017,512	53.1	.....	.....	.....	.....									
Equity Mut., Mo.	328,199	139,086	42.4	-35,820	210,784	84,257	94,024	43,384	23,391	11,445	364,019	174,642	47.9	+3,550	360,469	153,683	42.6	.....	.....	.....	.....									
Ex. M. Ind., N. Y.	422,744	161,073	38.1	-24,494	309,474	108,207	113,270	52,866	.....	.....	447,238	130,790	29.2	+78,177	369,061	126,797	34.4	.....	.....	.....	.....									
Fact. M. L., R. I.	2,077,569	717,644	26.3	-376,589	1,864,803	522,506	542,523	141,148	300,243	53,990	3,084,158	917,147	29.7	+128,894	2,955,264	935,120	28.2	.....	.....	.....	.....									
Farm Bu. M., N. H.	184,823	50,903	27.1	-3,357	116,246	30,935	39,358	13,375	29,219	6,593	188,180	79,842	42.4	+4,941	183,239	90,911	49.6	.....	.....	.....	.....									
Federal Mut. Liab.	12,600	4,716	37.0	-606	10,056	4,228	2,498	888	36	.....	13,206	3,065	23.7	.....	.....	.....	.....	.....	.....	.....										
Goodville M. C., Pa.	140,010	22,047	15.7	+9,924	11,																									

## 1942 Auto Premiums and Losses of Reciprocal Full Cover Organizations

	1942										1941									
	Total		Loss Ratio %	Inc. or Dec. in Prema. \$	Fire, Theft & Comp.		Liability		Property Damage		Collision		Total		Loss Ratio %	Inc. or Dec. in Prema. \$				
	Prems. \$	Losses \$			Prems. \$	Losses \$	Prems. \$	Losses \$	Prems. \$	Losses \$	Prems. \$	Losses \$	Prems. \$	Losses \$			Prems. \$	Losses \$		
Allied Und. Tex...																				
Auto Club, Mo.	948,082	300,788	31.8	-74,222	166,112	33,668	478,692	129,129	116,027	51,027	186,251	86,964	1,022,304	361,931	35.4	+140,449				
Berwind Exch., Pa.	5,153	513	9.9	+658	1,040	54	2,004	73	1,329	188	780	198	4,496	957	20.5	-336				
Calif. Cas. Ind. Ex.	321,663	89,433	27.8	-9,443	32,540	5,746	166,758	35,938	54,393	25,468	67,872	22,281	331,006	140,604	42.4	+16,156				
Calif. St. Auto. As.	3,330,028	881,736	26.5	+1,033,775	349,002	86,788	1,462,942	31,466	423,767	191,774	1,094,317	511,708	2,296,263	887,636	38.6	+548,095				
Cas. Rec. Ex. Mo.	1,321,077	861,908	65.2	-126,186	29,043	8,668	947,777	628,031	320,013	214,778	24,244	10,431	1,447,263	770,286	52.5	+87,192				
Chicago Motor Club	3,277,451	1,485,631	45.5	-333,801	645,026	179,163	1,213,491	586,558	479,347	241,104	939,587	478,806	3,611,252	1,618,343	44.8	+601,052				
Consolidated Und.	808,641	276,817	34.1	-229,789	111,387	17,871	429,409	143,223	129,729	60,747	138,116	54,976	1,038,430	439,250	42.4	+29,200				
Credit Un. Ex. Ill.	17,709	7,279	41.0	+816	2,367	802	6,658	1,222	2,794	1,440	5,881	3,815	16,893	5,777	40.9	+71,895				
Detroit Auto. Club	7,297,618	3,452,500	47.5	+10,320	1,378,891	441,497	2,865,296	755,868	1,173,086	688,921	2,180,864	1,566,264	7,287,239	3,575,121	49.1	+1,405,618				
Erie Ins. Exch., Pa.	572,130	238,051	41.7	-31,976	45,957	22,521	278,973	104,443	178,057	76,139	69,143	34,948	604,106	262,736	43.4	+80,636				
Farm Auto., Ill.	670,793	318,218	47.5	+2,543	70,789	25,626	218,608	93,231	76,872	40,997	304,524	158,426	668,255	354,452	52.9	+49,939				
Farm Auto., Cal.	9,009,239	3,601,810	40.0	+135,890	1,354,996	403,390	3,468,049	1,268,649	560,928	2,837,717	1,370,933	8,873,349	3,942,931	44.4	+1,671,972					
Fed. Und. Ex. Tex.	85,691	28,741	33.5	+27,995	9,572	1,709	46,322	6,539	17,374	1,888	12,113	2,779	58,296	22,133	37.9	.....				
Genl. Ind. Ex. Mo.	52,218	17,273	33.0	-17,754	5,653	1,448	32,768	6,239	8,271	1,565	5,516	3,920	62,972	15,264	24.2	-897				
Grow. Au. As. Ind.	18,015	7,357	40.9	+613	2,650	117	5,648	1,700	2,603	1,472	7,114	4,068	17,402	10,965	63.0	+2,002				
Highway Un. Tex.	343,430	70,227	20.1	+16,988	.....	.....	256,142	44,435	86,927	25,607	361	185	326,442	66,976	20.2	+49,661				
Mfrs. & Whl. Colo.	320,696	93,030	26.0	-3,714	48,071	9,989	166,426	40,503	60,498	20,405	45,701	12,133	324,410	109,153	33.6	+30,437				
Mid-West Auto. Ins.	306	18,616	.....	.....	149	552	16,814	1,681	.....	289	156	960	.....	.....	.....	.....				
Old Line Au. Ind.	53,593	25,421	48.0	-12,474	4,521	1,413	23,969	8,156	14,212	5,719	10,891	10,133	66,067	20,180	30.5	+23,255				
Natl. Ind. Ex. Mo.	15,245	9,576	63.0	-186	1,326	96	9,113	6,966	3,384	2,089	1,422	425	15,431	9,093	58.9	-801				
Prairie St. Far., Ill.	36,043	12,854	35.6	-1,451	4,026	1,555	14,202	3,912	6,621	1,981	11,194	5,406	37,494	15,673	41.5	+3,515				
Progress, Ill.	26,528	5,342	20.1	+2,890	935	10,980	2	3,378	551	7,580	3,854	.....	.....	.....	.....	.....				
State Auto., Ia.	1,806,013	708,248	39.4	-37,839	580,893	241,440	649,329	220,002	320,831	125,989	254,910	120,817	1,843,852	668,439	36.2	+190,729				
State Auto., Ind.	3,003,818	1,593,417	52.3	-221,756	309,061	142,509	1,677,102	592,317	549,981	359,188	960,929	489,703	3,225,568	1,745,192	54.1	+400,765				
Truck Ins. Exch.	1,765,820	822,741	46.8	+162,095	231,033	115,015	886,821	357,729	394,681	202,140	253,285	147,867	1,603,731	726,775	45.1	+249,229				
Un. Auto. Ind. Ill.	580,061	270,981	45.7	-25,924	76,121	19,493	232,652	69,591	106,114	40,957	165,504	77,938	606,925	216,613	35.7	+53,284				
United Serv., Tex.	1,667,064	459,608	27.7	-237,775	212,670	58,228	998,368	144,483	246,351	80,039	509,215	184,763	1,905,379	668,978	35.1	+440,696				
Total	37,354,505	15,575,165	41.4	-88,377	5,675,786	811,898	16,850,893	5,371,345	6,222,694	3,027,194	10,094,368	5,364,729	37,442,882	16,770,088	44.7	+5,973,895				

(CONTINUED ON NEXT PAGE)

## 1942 Auto Premiums and Losses of Lloyds Full Cover Carriers

Assn. Empls.Lloyds	55,989	14,839	26.51	—47	4,242	2,186	32,928	6,719	17,229	4,180	1,590	1,754	56,036	12,282	21.9	+31,115
Ft. Worth Lloyds	68,300	19,687	28.7	+21,917	14,117	7,079	27,154	2,088	10,647	1,573	16,382	8,947	46,383	15,095	32.5	+1,422
Liberty Lloyds, Tex.	7,690	364	52.3	-515	1,540	77	3,044	.....	1,046	183	2,060	104	8,205	866	10.5	+1,198
Lloyds Cas., Tex.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	31,061	9,855	31.7	+29,498
Lloyds Guar., Tex.	26,021	8,703	33.45	+22,450	3,830	558	14,527	6,153	5,912	1,217	1,750	772	3,571	1,806	36.5	+25,280
Lond. Lloyds, Eng.	15	8,333	.....	-4,480	.....	-100	15	7,572	.....	696	.....	-35	4,495	63,792	...	-52,931
Minn. Lloyds	1,047,069	496,527	47.4	-178,646	189,940	70,471	467,304	224,607	184,214	80,612	205,611	120,837	1,225,715	659,570	53.8	+142,026
Natl. Lloyds, Md.	353,077	207,739	60.5	-244,079	56,269	44,701	123,593	37,346	48,105	10,190	125,110	115,502	597,156	292,921	49.0	+519,505
South. Lloyds, Tex.	30,113	9,217	30.6	-5,383	9,567	2,061	8,692	1,689	3,222	1,772	8,632	3,695	35,496	5,683	16.0	+12,309
S. W. Lloyds, Tex.	7,142	504	7.0	.....	.....	.....	4,145	504	2,413	.....	583	.....	.....	.....	.....	.....
Superior Lloyds	148,969	84,992	57.0	-10,724	38,145	25,670	33,161	4,406	16,295	2,463	61,368	52,453	159,693	69,788	43.7	+2,868
Western Lloyds	55,711	34,452	61.8	-38,983	12,716	8,039	20,228	200	3,924	751	18,840	25,459	94,694	12,541	13.2	.....
Total	1,800,096	885,357	37.2	-462,409	330,366	160,742	734,791	291,284	293,007	103,637	441,926	329,488	2,262,505	1,143,698	50.5	+656,190

## Mutual Fire Companies

	1942	1941	Inc. or Dec.	1942	1941	Inc. or Dec.												
Abington Mut.	15,820	3,430	21.6	-3,826	19,646	8,302	42.2	-7,692	St. Marys, Pa.	11,488	10,505	91.0	-9,128	20,616	12,084	60.0	-5,782	
Alli. Cp., Kan.	5,450	3,757	68.0	-844	6,294	1,738	27.6	+3,180	Salem M., Mass.	6,057	1,789	29.4	+7,29	5,328	1,096	20.5	+646	
Allied Am. M.	818,547	211,740	26.0	+16,351	802,196	236,008	29.4	+160,771	Secur. M., N. Y.	14,603	10,965	74.9	-2,242	16,845	25,374	150.6	-1,556	
Am. M. M., R.I.	1,946	477	28.3	+2,007	.....	.....	.....	.....	Select Risk, Pa.	5,865	7,844	133.0	-13,402	19,267	12,671	63.1	-215	
Am. M. F., Wis.	.....	.....	.....	.....	16,409	3,089	18.8	.....	Shawnee M., O.	480	65	.....	-20	500	80	.....	-10,477	
Auto business discontinued.	.....	.....	.....	.....	.....	.....	.....	.....	State F., N. H.	-3,113	.....	.....	-9,296	6,183	1,546	25.0	+710	
As. Mer., Mass.	2,362	1,676	70.7	-6,238	8,600	3,759	43.5	-5,687	State Merc., Pa.	Reinsured by Natl. Mut. As., Pa.	.....	.....	.....	-4,360	69,549	112,983	162.3	-210,135
Atl. Mut., Ga.	102,451	42,346	41.5	-119,331	231,782	76,794	34.6	+22,962	Sterl. F., N. Y.	22,596	14,813	66.0	+7,29	26,956	15,809	58.6	+6,310	
Atl. Mut., N. Y.	54,813	20,741	38.0	-8,441	63,254	25,158	40.0	+33,336	Tomp. C., N. Y.	25,926	9,970	38.4	-89	26,915	7,982	30.6	+11,747	
Aus. M., Minn.	17,363	11,106	64.0	-7,157	24,520	9,055	36.9	+9,564	Tr. & Me., Mass.	22,596	14,813	65.5	-935	23,531	10,324	43.5	+4,738	
Au. Mut., R. I.	593,684	73,552	12.4	-29,641	623,325	69,011	11.0	-38,295	Tr. & Mer. Mut.	29,088	12,162	41.7	.....	.....	.....	.....	.....	
Au. M. F., Pa.	4,001	10,503	258.0	-27,845	31,936	8,188	25.4	+15,044	Un. M. F., R. I.	18,194	16,125	29.0	+648	30,698	9,418	30.6	+7,411	
Berk. Mu. F.	192,253	69,309	36.0	-24,755	217,008	72,973	33.6	+39,865	Un. M., Mass.	1,837,990	476,978	25.9	-9,877	1,847,867	516,834	27.9	+353,495	
Bur. Mut., Vt.	33,157	11,046	33.1	-4,999	38,156	11,591	30.3	+39,865	Utica Fire	32,040	18,372	57.2	-19,455	51,495	21,212	41.1	+14,898	
Cambridge M.	104,337	66,426	64.0	-101,439	205,776	72,022	35.1	+94,629	Vermont Mut.	18,570	7,923	42.6	-1,628	20,198	4,819	23.8	+1,684	
Campbls., Wis.	1,403	1,125	80.0	-2,701	4,104	894	21.7	.....	Wash. M., Pa.	5,475	1,651	30.1	+3,726	1,749	32	.....	.....	
Can. Cp., N. Y.	23,834	20,863	87.7	-5,479	20,313	16,073	54.8	.....	West. Ml. M., Mo.	47,463	24,337	51.5	-25,428	72,891	32,341	44.3	+7,125	
Cap. M. F., Pa.	83,168	20,539	24.6	.....	.....	.....	.....	.....	Wor. M., Mass.	118,694	34,796	29.0	-200	118,894	32,143	27.0	+26,846	
Carp. M., Pa.	18,913	8,229	43.5	+2,765	16,148	6,360	39.1	+6,197	Wyo. V. F., N. Y.	26,339	10,612	41.8	-520	26,859	19,367	72.1	+1,961	
Catskill, N. Y.	10,477	4,768	45.5	-10,167	20,644	8,848	42.8	+320,924	Total	15,286,367	5,532,535	36.2	-2,958,507	18,244,874	6,522,630	35.7	+2,440,441	
Cent. Mfra., O.	1,118,572	447,853	40.3	-348,884	1,467,456	542,664	36.9	.....	†Formerly Minn. Implement Mutual.	.....	.....	.....	.....	.....	.....	.....	.....	
Cheese M. M. F.	2,909	2,989	102.7	.....	12,311	2,789	22.6	+4,048	‡Merged Dec. 31, 1941, with Implement Dealers, N. D.	.....	.....	.....	.....	.....	.....	.....	.....	
Chem. M., N. Y.	74,706	49,745	66.7	-31,101	105,807	50,196	47.3	+28,401										
Cit. Fd., Minn.	57,501	15,200	26.5	+953	56,548	17,496	30.9	+10,564										
Cit. Mu., Mass.	3,824	2,766	72.0	+2	3,822	461	10.5	+2,072										
City M. F., Pa.	10,679	94,366	890.0	-114,261	124,940	129,755	104.0	-13,737										
Coml. Mut., O.	1,900	194	10.2	+966	934	161	17.2	+178										
Det. Mut., Au.	60,431	27,234	45.0	-20,813	81,244	33,435	41.2	+20,011										
Don. & Con., Pa.	17,172	5,194	30.0	-187	18,169	4,880	27.0	+2,558										
Dorchester Mut.	5,524	1,095	19.8	-187	5,711	1,869	32.7	+752										
Drug Mut., Ia.	30,693	17,924	58.4	-2,417	33,110	19,690	59.4	.....										
Emp. Cp., N. Y.	50,852	26,203	51.7	-16,815	67,667	19,421	27.2	+3,361										
Emp. M. F., Pa.	201,652	46,942	23.1	+2,515	199,137	46,897	23.5	+23,571										
Em. M. F., Wis.	38,720	20,801	53.7	-9,028	47,748	18,535	38.8	+9,050										
Farm. Al., Kan.	490,434	228,860	45.5	+56,932	433,502	222,839	51.4	+122,054										
Farm Bur., O.	776	43	5.5	+128	648	99	15.2	.....										
Farm. U., S. D.	290,761	102,830	35.4	-61,643	352,404	97,308	27.6	+79,441										
Federal, Mass.	93,602	27,318	29.1	-33,998	127,600	40,860	32.0	+16,075										
Fitch's, Mass.	338	651	19.2	-454	792	.....	.....	.....										
Fur. Dirs., Wis.	2,200	1,396	63.2	-54,907	.....	502	.....	.....										
Gen. M., Okla.	15,096	2,435	16.2	-42,009	57,107	39,563	69.9	+17,174										
Globe Mu., Mo.	310,392	155,450	50.0	-142,500	452,892	209,139	46.1	+33,145										
Gr. Dirs., Ind.	27,892	14,012	51.0	-5,867	33,759	15,006	44.4	.....										
Grang. M., Md.	54,134	18,154	34.6	+3,619	50,515	21,443	42.4	+16,273										
Green Mt., Vt.	586,729	128,803	22.0	+123,581	463,148	125,543	27.1	-69,455										
Hdwe. D., Wis.	568,899	169,451	29.8	+48,300	518,599	143,932	27.6	+226,552										
Hdw. M., Minn.	117,885	36,556	31.0	-82,348	209,233	64,660	32.2	+26,952										
Holyoke, Mass.	37,770	34,342	91.5	-49,321	87,091	53,306	61.6	+3,242										
Home M., N. Y.	31,100	2,235	.....	-106,907	78,908	4,385	25.0	+15,518										
Imp. Dis., N. D.	286,523	121,240	42.4	-58,832	345,691	118,586	34.3	+109,428										
Ind. Lum. Mu.	49,663	23,788	47.8	-16,262	63,925	30,027	45.5	+13,596										
In. Hdwe. Mut.	5,606	3,160	86.9	-4,553	9,189	4,541	55.4	+3,349										
In. M., De Witt	10,612	1,021	9.6	-230	10,542	4,404	59.0	+1,382										
In. Com., N. D.	18,627	5,577	30.0	+2,085	16,542	5,386	32.5	+1,432										
Itzitz M., Pa.	53,569	26,697	49.0	-32,795	86,364	25,382	29.3	+51,979										
Lowell, Mass.	49,761	19,121	38.3	-1,295	51,056	17,986	35.2	+20,313										
Lbr. M., Mass.	329,208	96,261	29.2	-71,315	400,523	144,191	36.0	-26,498										
Lumbr. Mu., O.	57,501	15,200	26.5	+953	56,548	17,496	30.9	+10,564										
Lynn M., Mass.	28,886	6,556	24.0	-2,034	30,920	7,731	25.0	+3,552										
Mfra. & Mr., N. H.	152,024	87,743	57.0	-85,770	237,794	111,941	47.0	+77,713										
Mayflower, O.	63	.....	.....	.....	.....	.....	.....	.....										
Mr. & B. M's, Pa.	29,550	11,153	37.7	-1,814	31,364	15,776	50.4	-10,067										
Mr. & F. M., Mass.	17,346	28,288	163.1	-59,999	77,345	58,207	75.2	+25,612										
Mr. & Mfra., O.	427,360	129,446	30.1	-13,833	441,193	134,521	30.4	+34,369										
Merrimack Mu.	209,898	78,889	37.5	+344	209,554	84,302	40.2	+76,169										
Mich. Millers	197	3	.....	-133	330	709	214.8	-200										





Share-ride plans increase the realization for the need of automobile liability insurance and medical expense payments coverage. Now is the time to get non-insureds into the habit of buying insurance protection.

## Many Positive Factors in Auto Field

(CONTINUED FROM PAGE 5)

stressed the difficulty of replacement for an uncertain period after the war have succeeded in retaining comprehensive or fire and theft lines even though some collision and casualty coverages might be dropped.

### Alert Agents Get Business

4. Alert agents, gifted with some real salesmanship, have done well in various communities by going after the car owners who are financially able to buy proper insurance protection. The war worker, with more money to spend than ever before, is a good market for numerous lines of insurance protection. Since the automobile is a transportation necessity to many, these car owners can be sold full automobile protection in many instances.

5. That there will be a great demand for automobiles after the war is shown by the comment of a young man now serving in the navy. "Almost to a man," says this seaman, "The boys in the navy are already talking and planning for the car they expect to get just as soon as they are released from their war emergency duties." And by that time a goodly number of the cars in use in the early days of 1942 will be pretty well on the way out.

6. Commercial cars used for vital freight and passenger transportation have increased in value during the past year and the smart agent is recognizing this situation by revising values upward. This produces more premium and with virtually no replacements available these commercial cars and buses certainly should be fully covered by insurance.

### Towing and Emergency Service

7. Under present emergency conditions, with every motorist taking good care of tires and batteries, the towing and emergency service coverage is a bargain and agents should add this protection on every passenger car that is being used. Unless collision insurance is carried, the addition of towing coverage represents an automatic increase

in premium of 33½% without having to secure a single new client.

8. Rationing has not reduced the usage of cars by essential workers to the extent that it has cut down the so-called pleasure use of non-essential automobiles. However, the average citizen realizes better than the OPA the extent to which our entire domestic economy depends upon automobile transportation, and while endeavoring to cooperate in saving rubber and gasoline, Mr. Average Citizen is hopeful that a more lenient rationing plan will soon permit the minimum of disturbance to our essential economy. Our war effort cannot function efficiently if our domestic economy is too badly crippled by restrictive regulations on automobile transportation.

### A. V. DAVENPORT

Assistant Secretary A. V. Davenport of the North America makes these observations:

"Much automobile physical damage insurance, aside from the insurance upon financed cars, is still being written. In fact, some agents are finding it easier to sell collision insurance today along with the comprehensive regardless of the gasoline and rubber situation by simply pointing out that if a collision does occur it will be more costly than ever before because of the higher price of repairs.

"Those agents who have solicited all B.I. and P.D. policyholders on their books for whom they are not carrying the physical damage coverages are finding that much new business can be developed in this manner. This is really a service due their policyholders in order to prevent a lapse in insurance where a car may have been purchased under a finance plan with the insurance expiring concurrently with the maturity of the financing. In addition, a large volume of commercial car business is still available and again because of the mounting cost of repairs complete physical damage insurance is now even more essential. Agents taking advantage of all their opportunities to produce automobile business are not finding it too difficult to maintain their premium income upon this class."

### J. W. GUNN

President J. W. Gunn of Employers Mutual Casualty of Des Moines puts his thought as to the situation in succinct terms. He makes six points which he has compressed into a few words, they being as follows:

1. More people have more money available today than at any time in the history of our country.

2. They cannot spend this money on

many things that formerly were for sale—new automobiles, new homes, home appliances, etc. Even food is rationed.

3. Their surplus earnings are going into savings—war bonds, payments on homes, life insurance, etc., thus creating estates and property ownership.

4. Such property ownership needs liability insurance protection of all kinds, to preserve and maintain it intact.

5. All the agent needs to do is to see and solicit people in his community. They are ready-made prospects with the cash to buy.

6. The new comprehensive and automobile form gives the agent a new approach—something new to talk about, something additional to sell—all at a reduced price.

What more could any salesman ask for?

### H. E. CURRY

H. E. Curry, actuary of the Farm Bureau Mutual Automobile of Columbus, states that he hesitates to forecast what will occur to automobile insurance this year since so many of the things he feared would happen in 1942 did not materialize. He says further:

"A year ago we were just being introduced to gasoline rationing and restricted sales of new cars. Insurance men generally felt that these factors would materially reduce the number of cars operated and therefore decrease the demand for insurance. In our case, we anticipated the decrease would be tempered by our substantial volume of farm business. Many changes did occur—rates were reduced in recognition of reduced driving, existing coverages were broadened, new forms of coverage were added. The result was that we wrote the largest volume of premium in our history.

"The war has brought problems and forced readjustments. A substantial number of our young men in the home office are now in the armed forces. In many instances they have been replaced by women of experience particularly in our underwriting, service, accounting and filing departments. So far we have not found it necessary to assign women to claim adjusting or sales supervision work. Conscription of office equipment has necessitated readjustments in office procedures.

### Should Plan Daily Work

"Restrictions on gasoline consumption has emphasized the need for our agency force to plan their daily work. We have aided them to do this through meetings, forms for planning their work, urging that they pre-arrange appointments, use direct mail advertising more extensively and systematically, and through the use of conservation stuffers accompanying premium notices. We have a staff that devotes full time to these problems. The effectiveness of this procedure cannot perhaps be measured accurately but we do know that our pro-



"er—well, you see—I don't carry insurance any more. I figured I didn't use my car enough."

duction of new business is running about 12% ahead of last year.

"Apparently the higher average earnings of workers coupled with restrictions on purchases are bringing new buyers into the automobile insurance market. This indicates two things—first, most people are conservative and appreciate the advisability of protection against unknown hazards, and second, the average individual will buy insurance if he has the money to pay for it. Too many of us overlooked these facts a year ago in our pessimistic appraisal of the future of automobile insurance.

### Should Broaden the Market

"These facts should be an incentive to insurance companies to devote time and thought to ways of maintaining and further improving the average level of income if for no other reason than that it will stimulate the further distribution of insurance. If the market for insurance can be broadened, the companies and agents will be able to distribute insurance at less cost which will open the door to the elimination of the criticism that it costs too much to distribute insurance. Over the long pull the companies, the agents, and the insuring public will all benefit and the threat of governmental absorption of the insurance business will be dissipated. I have long felt that if the people of this country can solve the problem of getting more goods to more people at less cost, the majority of our economic ills will be cured."

### S. W. PRINCE

Secretary S. W. Prince of National Fire gives his opinion to the effect that automobile insurance will take great strides in the early years after the war. He looks for a premium income far greater than any year in the past. Speaking of the company's own experience, he says:

"We have not found that our agents in the territory reporting to this office

## SHEFFER-CUNNINGHAM ADJUSTERS WICHITA, KAN.

AUTOMOBILE, COMPENSATION, AVIATION,  
CASUALTY, MARINE, SURETY AND FIDELITY

### Exposure to Accidents Is Less Than Mileage

Many people assume that if they drive fewer miles in 1943 that their exposure to accidents is reduced in the same proportion. The National Safety Council points out that mileage rate is an inadequate measure of exposure to accidents. In 1942, for example, there was a 17 percent drop in the mileage rate while the exposure to automobile accident deaths declined only 12 percent.

have been losing much, if any, of their automobile business other than from assured going into the armed forces. Even with the rationing of gasoline we have experienced no falling off in premium income. In fact, our private passenger car business for the first quarter of 1943 shows an increase over the same period in 1942. In the latter months of this year I look for a reduction in private passenger car premium income but this I feel will be more than offset by increases in other classes of automobile business.

"The effect of rationing in so far as a reduction in loss ratio is concerned has been helpful in some sections. On the other hand, the collision record in the cities and towns where there is any real concentration of war work has been worse than before rationing. The total thefts are increasing in most territories and I look for the same results fire-wise as time goes on because of lack of proper mechanical checkup and repairs. The used car market is very spotty. Certain localities show considerable activity whereas others are not making many sales."

### A. R. GOODALE

With the exception of distinctly metropolitan sections, such as New York City, producers are losing very little automobile renewal business except in the case of persons who have actually sold their cars, put them in dead storage or have gone into the armed services, Secretary A. R. Goodale of Travelers reports. In those cases where the car is put in dead storage the wise agent, of course, he says, will retain the contact by continuing the fire, theft, comprehensive material damage insurance. There is not much that can be done about the writing of bodily injury, property damage and collision on such cars until they are actually put on the road again. Mr. Goodale says further:

#### Plenty of Accidents

"While it is a fact, as we all know, that the motoring public cannot drive as many miles or as fast as they used to do, the bulk of those carrying insurance are continuing it because they and the agents know that there are still plenty of accidents and one never knows when his turn is going to come. More than that, our figures and those of other companies I believe show a very substantial increase in the cost of settling bodily injury losses and property damage and collision. We estimate the former at about 25% and the latter at 20%. Moreover, there is plenty of congestion at least at certain times of the day in and around our cities, if Hartford is any sort of example. I think that most people are using their small allowance of gasoline for necessary trips in and around their own area. The open roads are the places where the lack of cars is most in evidence. Congestion as we know makes for accidents and when one starts out on a trip he does not know whether it is his turn to draw a black bean out of the bottle or one of the white ones. Agents are selling new business as is evidenced by our production figures and

those of other company men with whom I have talked. It seems quite evident that those producers who take the attitude that business can be sold will write it, but those who are defeatists in their approach are complaining.

"In these days of declining automobile premium income there is still a big field of cultivation for extra premiums if producers will try to sell medical payments coverage and increase the limits. The former presents a real opportunity. Some agents are finding the sale of medical rather easy upon renewal but others seem to take little interest in it. I believe the medical payments coverage represents one of the big advances in the automobile field in recent years.

"We are optimistic about the future of automobile insurance—not only the immediate future but the future after the war is over and cars are back in production. To be sure in 1943 premium volume is going to be down but at a time such as this the number of risks is the important index to activity. After the war, with the new cars that are going to be built and the sudden release of pent up emotions, the automobile is going to regain its place in American economic and social life. It will be more of a necessity than ever even after making allowance for the tremendous surge in aviation which is bound to come after the war. There are going to be lots of new cars to be insured for fire, theft, comprehensive, and collision, as well as bodily injury, property damage, and medical.

"You inquire as to whether the used automobile market has been fairly active. We believe it has as has been evidenced by the amount of new business for

fire, theft, comprehensive and collision which is coming in on used cars. While some of this business may be of doubtful desirability, most of the new owners have good jobs at the present at least and are insurable.

"Altogether we feel that while there are not as many accidents as in 1941 and the early part of 1942, there is still just as much need for automobile insurance as formerly. The casualty lines more than ever mean job insurance and the increased claim costs on both the casualty and physical damage coverages demonstrate the absolute necessity of insurance protection at the low rates which now obtain. In most places the cost of insurance is about five to ten cents a day and who is there who cannot afford that?"

### War Intensifies Need for Auto Cover

(CONTINUED FROM PAGE 4)

gigantic effort to slow down and prevent, if possible, the rising spiral of prices. One important method of accomplishing this is to drain off the surplus earnings of each individual. This can be done by influencing people to purchase war bonds and pay new insurance premiums. Income invested in insurance premiums not only protects the individual, but also aids in the fight against inflation. Automobile insurance is not a commodity to be rationed in order to prevent runaway prices; but rather it is a protection to all who may qualify.

The greatest asset possessed by insur-

ance companies is not revealed in their financial statements. This asset is the agency force in the field charged with the responsibility of serving the public. In the present war, there are four primary avenues open for personal effort:

1. Serving in the armed forces.
2. Production and distribution of necessary food and material needed for the war effort.
3. The production and distribution of food, material and services in behalf of civilians.
4. The protection and preservation of life and property values.

The function of insurance men definitely falls in the category of serving in the interest of protecting and preserving life and property values. Everyone of us is actively concerned with the question, "How can I best serve my country in the war effort." Every man between the ages of 18 and 65 has registered under the selective service act. Many have been called—others will be. Millions of men are engaged in defense work. More will be so occupied. We all recognize that this war must be won by the United Nations. We are willing to pay the price and make the sacrifices which are necessary; but men and women are needed in civilian pursuits, too, in order to assure our social and economic existence remaining on as even a keel as possible. Those of us who are not needed otherwise, should rejoice in the fact that as insurance salesmen we have one of the greatest of all civilian opportunities to serve our country.

In our daily work of spreading a greater blanket of protection, we strike worthwhile blows at inflation, we help to finance the war and we strengthen the moral and economic structure of the nation.

Qualified insurance agents are good "morale builders." By contributing to the welfare of the individual, the morale of the individual is strengthened. Good morale on the home front is imperative to the winning of the war as quickly as possible.

Good morale is not present with the man who lies awake at night worrying what will happen if a judgment is rendered against him as a result of an accident with his automobile. Worry causes bad morale. Bad morale is a direct means of helping the enemy.

The sale of increased amounts of automobile insurance during 1943, is an exceedingly positive method by which you and I, as individuals, can build good morale and thereby make an increased contribution in behalf of our national struggle.

The national income this year will very likely reach the staggering sum of \$120,000,000,000.00. Priorities and rationing have removed and curtailed many outlets for this income. True, taxes have increased and new demands created, yet after the payment of taxes and investment of 10% of our income in bonds, it rather appears as though we were going to have 15 billion dollars or possibly 20 billions left over after buying all of the available goods on the retailers shelves.

Our competition of the past in the form of new automobiles, radios, new

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homes and expensive pleasure trips have disappeared. Today, as never before, the average man has a larger income and a decreased demand for that income. It is said that there will be 10 billion dollars less goods on retailers shelves this year than last—the elimination of things to buy removes competition for the prospect's dollar and makes available an increased opportunity for the sale of insurance.

#### Fundamentals Never Change

Even though people have more money today to spend and less places to spend it, even though war has intensified the need of automobile insurance protection, human nature has not changed. People are not jamming offices and demanding more insurance. They must be sold today the same as yesterday. War brings changing conditions, but fundamentals never change.

In order to spread a greater blanket of protection, the agent today must the same as before the war follow the technique of salesmanship—he must prospect, make the approach, tell his selling story, answer objections and motivate for a close. Otherwise his volume of sales will be far from satisfactory.

#### Mastering One's Mental Attitude

Automobile insurance companies are losing more business today for lack of solicitation than all other reasons. The biggest job an agent has today is to master his own mental attitude.

The job which an agent has to perform today is of greater importance than it was prior to Pearl Harbor. A man's attitude, more than his inherent ability, determines the results to be achieved in any line of endeavor. On every hand can be found an example of a man supported by a positive and dominant attitude, by enthusiasm, con-



"Do you carry property damage insurance?"  
"Yes, sir! . . . Whew!"

fidence and courage surpassing one of far greater ability but who possesses an indifferent attitude.

The results which an agent achieves in 1943 will be influenced largely by his own point of view. First, toward selling new business as his big responsibility; second, toward the protection and service he has to offer.

#### Will Be Steady Flow

"Business as usual" is out during the duration but this phrase does not mean "no business during the duration." The agent whose attitude toward producing new business is that "there's no use for the duration" will secure mediocre results, if any, even though he goes through the motions of prospecting and completing the technique of salesmanship.

The agent who knows that business

must be sold and realizes that it can be, is convinced that there can be and will be a steady flow of applications to the home office—is the man who has a positive and dominant attitude, which guarantees that he will get his share of the new automobile insurance sales of the company.

#### Selling Insurance Is American Way

America today is engaged in a life and death struggle to defend and preserve the American way of life. Our boys are fighting on nine battle fronts of the world. We are conducting a global war. When victory comes, and it surely will, these millions of fighting men will return to engage in peaceful pursuits. While they are away, it is our responsibility to maintain, insofar as possible, the social and economic stability of our home front.

Freedom in our land, springing from cooperation, has resulted in the development of our present economic system. Even though the United States embraces only a small proportion of the earth's surface and its people a small percentage of the world's total, our economic system has resulted in a social structure which is the envy of our enemies and the cherished dream of liberty loving people everywhere.

#### Integral Part of Economic System

An integral part of our economic system is the insurance business. If it were possible with one stroke to wipe out insurance, our economic structure would collapse, ultimate victory would be greatly delayed, if not transferred to the side of the enemy, and the American way of life would be extinct.

The institution of insurance has made a worthy contribution to the American way of life during the past 100 years. It has sponsored and promoted coopera-

#### No time to Sell Auto Business Short

"This is no time to sell the automobile insurance business short," Otto Patterson, executive vice-president American Automobile, points out. "It is holding up beautifully under the impact of war time conditions and once peace returns, new automobiles again are manufactured and normal driving conditions are restored, the automobile section will be, I think, the most dynamic part of the insurance business. The people of the United States are going to be more automobile minded than ever and I have an idea that they will go out with a vengeance in order to make up the driving time lost under war time restrictions."

tion—the American Way—to the end that freedom from fear, and freedom from want have become a reality for millions of families. We cannot abandon "cooperation" now and still keep faith with these people and their rich heritage of the past.

The moment men decide that automobile insurance cannot be sold through personal solicitation, endorsement will be given to compulsory distribution—the old world way. Men have bought automobile insurance in the past because they were asked to buy and they possessed the freedom of choice. They will buy automobile insurance protection in 1943 providing we discharge our responsibility in accordance with the opportunity which is ours.

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Chicago, Illinois



"Don't stop, son—Oh, what a dope I am! A \$5,000 verdict against me, and with liability insurance as low in cost as it is these days!"

## Leaders Take Practical View

(CONTINUED FROM PAGE 3)

often make. We don't always give the prospect a chance to purchase our wares.

"Automobile rates are lower than ever before and there is no excuse for anybody's not being able to buy the best possible form of protection through agents representing reputable stock companies. You can't write this business by sitting in your office day-dreaming or standing on a corner talking about last week-end's golf score, or stopping by a pin-ball machine on the way out from lunch for an hour or two. You must expose yourself to the business, at least. Gee, when I think of what I had to do years ago to write a little automobile business—the miles I had to walk, the turndowns I would get—and how easy it is today to write business! Tain't the cut-rate competition that is beating a lot of agents. It's their own consarned laziness."

### E. B. BERKELEY

E. B. Berkeley is head of the Cleveland Insurance Agency of Cleveland



E. B. Berkeley

and is president of the Ohio Association of Insurance Agents. He is a live man in the local business. His comment on automobile insurance is illuminating. He thinks that agents, companies and all interested in the business may find that some self-examination would be helpful. Continuing his observations, Mr. Berkeley says: "Agents particularly are prone to blame their troubles on somebody else. Companies are quite sheeplike in their approach to solutions of difficulties encountered through affiliation of company organizations, and the automobile dealers, manufacturers and finance companies

and local banks, all want a pole position in the race for volume business. The public isn't be-damned in this instance, but on the contrary, is fawned upon in relation to this subject to a degree not found in any other line, but generally speaking the public hasn't got what it wants, nor what it may be said to need.

### Effect of Laziness

"Agents cannot blame the small return generally obtained from the direct sale to individual customers of the required minimum essential coverages of the automobile owner, basically to anything else but just plain laziness, in large measure. If they face the fact that only one car in three is insured. If we mean liability and property damage automobile insurance, as the minimum essential coverage, of course, the fact is that the time to effect such coverages is before the starter button is pushed, and not afterwards, both in the interest of the automobile buyer, the vendor or finance company, as well as the insurance agent and the insurance company, and above all, Mr. John Q. Public.

"Companies cannot stand smilingly by and say we are of course ready to serve you through either our front or back doors, if you will only get in touch with our agent—if they make no provisions worthy of the name of 'convenient terms' as great as those provided by the manufacturer through wholly owned finance companies, or equally conveniently by the dealer who has made a deal with his local bank, or independent finance companies.

### Should Work in Unison

"Forget regulations now in force, during the war period, for the day this war is over plans will be afoot to stop the regimentations adopted for the war emergency. Under the present outlook, however, we would be back just where we were before the war began, and that's not too pleasant a picture, if we look at it somewhat dispassionately. Complete, logical action in this solution would be almost too much to expect if we consider the diversity of interests

involved, but a little common sense upon the part of all the interested parties mutually and jointly applied do wonders for all concerned, and should be mutually advantageous.

"This is not a proposal of marriage by the agents to the finance companies, local banks, automobile dealers or manufacturers, but it is a suggestion that could carry present hostilities into first, a twilight zone of lessened embitterness between competing factors and then finally into some measures of active mutual cooperation. The agents are going to be privates in the ensuing economic warfare after the World War, but their leaders, and those of the other interests named can do more for their own intelligent self-interest by the suggested plan of active non-belligerency turning into active mutual cooperation, than by any other plan, in my opinion, and now is the time to start.

### Suggestions Are Made

"The future is going to be disturbed—whether we like it or not, but it can be a glorious adventure in common sense if we want to make it so, and I know of no better place to start than in the automobile insurance field. The first premise should be not to leave some factor out of the picture—such, for instance, as the automobile clubs—which try to represent the motorist's interest. The next would be to have a mutual willingness to make some individual sacrifices. The rest would be comparatively easy, for the adoption of these two planks would do much to remove suspicion. Another plank could be to eliminate at once all thought of seeking governmental aid—for if the interests could not do it themselves, it is a cinch no legislation would help."

### A. J. PETERS

A. J. Peters of Issaquah, Wash., does a substantial rural business. His observations are:

"I have always felt that the more I could get people to come into my office, the less I would have to go out. So some years back I started working on whatever scheme I could to have the people of my area call in. I worked up a service of obtaining auto license for car owners. Now my office is definitely the main place to get new licenses each year, transfers of title and re-issues of titles. I went out of my way to learn the laws and procedure so every such transaction is done as correctly as possible with the least amount of bother to the car owner. In other words I made a real service out of it charging a small fee to cover costs.

"In our state, trucks hauling for others must take out a common carrier permit from the state. I posted myself on the rules and regulations regarding these permits and soon became known as the man to see about them. At all times I co-operated with the state officials in charge. Incidentally these permits require that liability insurance be filed with the state.

"Driver's licenses are renewed in our state every two years. At first it was hard to convince the state officials that it was a great convenience to the public as well as the officials themselves, to let my office write these renewals. But for the past two periods they were happy to have us do it.

"Income tax is something that is reaching down to include almost everyone, a big majority of whom are mystified and confused. For many years back I have offered the service of making out these returns, collecting the money and remitting it to the proper office for the taxpayer. For this work, I have to take considerable time and study so I can

## Must Consider Renewals in Making Initial Sales

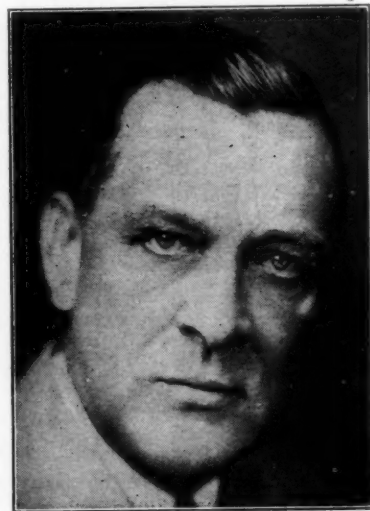
As a policy is renewed year after year it becomes easier to get the renewal. Initial sales are harder to make but when an agent spends time on initial sales he should consider both his immediate and ultimate return. This is especially true under the lower automobile rates. A \$4 or \$5 commission may not seem worth the trouble but when one considers that over a 10 year period the sale will represent \$40 or \$50 with a comparably small amount of servicing time, the time making the initial sale is well spent.

properly advise. This present year this service seemed to be appreciated more than ever, and although my charges were reasonable, I was well paid for the time and trouble, and won many new friends. Besides these services, I cater to general notary public work and find that I do many intimate and friendly services, all of which lead to discussions of insurance.

"Do not misunderstand me and get the idea that I do these many things for nothing or at an expense to me. On the contrary these fees take care of most of the entire overhead expense of my office. But the big value of it all is the continuous flow of contacts right in my own office throughout the year. I do find I can use the telephone and post office more than I realized. I believe auto claim ratio in my territory is definitely declining."

### W. OWEN WILSON

W. Owen Wilson of Richmond, Va., head of the Davenport Insurance Corporation and former president National Association of Insurance Agents, says: "My office has never had a large automobile business. We never have been willing to go strongly after the finance



W. OWEN WILSON

accounts, even the local ones, because of the keen competition and the unsatisfactory conditions which surround this class of business. We do have a nice volume of business for private owners of the better type and there has been little change in this field.

"The Corporation Commission, under authority granted it, has examined the

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Wm. H. Moore, Manager  
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Telephone 4-9369  
Member National Association Independent Insurance Adjusters



THE ODDS ARE DOWN  
21% THAT I WON'T  
HAVE AN AUTO  
ACCIDENT WITH  
GAS RATIONING  
IN EFFECT

YEAH— BUT I DON'T  
BELIEVE IN TAKING  
ANY CHANCES IN  
LOSING MY HOME  
AND WAR BONDS  
REGARDLESS OF THE  
ODDS— I WOULDN'T  
DRIVE AROUND THE  
BLOCK WITHOUT AUTO  
LIABILITY INSURANCE



record each year and as result our rates and premiums have been constantly going downward. Until very recently we operated this class on a 20% basis which was, I believe, the lowest commission basis in the United States. This situation became so acute as result of present day conditions that that commission has been restored to the nation-wide average.

#### Must Reduce Speed Limits

"Insurance on automobiles does constitute a huge volume and unquestionably this business will come back in increasing volume and certainly should be most profitable for a few years as the entire country will perhaps be riding in new cars and on new tires, and I hope on a reduced speed basis. In the light of the reduction in accident frequency, it is inconceivable that we should ever again permit speed limits which existed prior to the war. It seems to me that the biggest thing which has come out of this experience is knowledge that accidents and a high death rate go hand in hand with high speed.

"Even though Richmond is not a war boom city, our business has grown by leaps and bounds and we have satisfaction in the thought that we are helping to finance the war to an extent that I never dreamed a few years ago that this little agency might attain."

#### LLOYD POLLARD

Lloyd Pollard of the Armstrong Agency of Shelbyville, Ky., states that his experience in the farm automobile and truck business which his office writes in considerable amounts is that the companies have sadly neglected profitable, and what might be termed "cream business." He attributes it to the rate making department. As a consequence, he says, the companies have left the gate wide open for farm co-operatives, a great many of the states already having formed automobile companies built on this plan. Those that do not have them are fast falling in line. Furthermore, he says:

"The companies have come around pretty well in the past several months in their property damage and liability rates, which has been helpful, but there is still room for more consideration in these rates, especially as to the farmers' trucks. The great obstacle we are running into at this time in competition is the fact that our comprehensive and collision rates seem to be out of line, principally the collision. This applies to both trucks and automobiles. However on passenger cars the collision rates are the principal bone of contention, and on trucks both collision and fire rates. The recommendation submitted to the National Bureau of Casualty & Surety Underwriters by the rural agents division of the Na-

tional Association of Insurance Agents, if adopted, would be of considerable help along these lines.

"Insofar as solicitation of automobile insurance is concerned we find that many of our prospects we already have on our books. Therefore when talking with an assured, especially during times like these, we endeavor to go over his entire insurance program. We of course use the telephone to a greater advantage now than ever before and are getting a much better reception to telephone sales. We also use direct mail. Our loss ratio has declined considerably in the last 18 months, and on all forms of automobile claims.

"We do feel that automobile insurance is needed as much today as it ever was, especially bodily injury and property damage liability, as farmers, like many others, are making more money than they have in many years and the public knows this. Consequently they are more subject to claims being presented against them."

#### N. A. CHRISMAN

N. A. Chrisman of Pikeville, Ky., head of the Chrisman agency, lives in the mountains of eastern Kentucky where the principal industries are coal mining and natural gas industries. A very small percentage of the rural people and coal miners carry any insurance except when they buy a car under a finance contract. Then they have to carry fire, theft and deductible form of collision until the car is paid for. Mr. Chrisman says in telling about conditions in his section:

"A large percent of the officials around the coal mines and the officials of the gas companies carry all kinds of automobile insurance and will continue to do so.

"I have had a small increase in my automobile business during 1942, and I think the other two agencies in town have also had an increase. People who have never carried insurance before realize that it is impossible to get a new car and are wanting some protection on the ones they have. I would say that it is a little easier to sell comprehensive coverage and deductible collision now than it has been, but not so easy to sell liability insurance because the owners feel that they will not drive as much and not so fast, therefore, they do not see as much danger of an accident. I would say that the gas rationing has affected the liability coverage to some extent.

"All agencies have received 'B' cards and are, therefore, able to use our automobiles to a great extent in soliciting business but confined to a smaller area. We are not bothered with competition from mutuals and only one non-bureau company which has a lower than manual rate.

"My agency in the solicitation of auto-

mobile business is pointing out two facts, that in slower driving one is apt to be more careless and not as alert as he would be if driving faster, therefore, the chance of an accident is greater, the other that it is impossible to get a new car and if something should happen to the car which one has by having comprehensive and deductible collision he would be protected to the extent of the cost of repairs or receive the actual cash value in the case of a total loss."

#### C. A. ABRAHAMSON

C. A. Abrahamson of Omaha, president Omaha Insurance Agency, Inc.; past president National Association of Casualty and Surety Agents and president Insurance Federation of Nebraska in his comment says:

"For some years past, it has been conceded that fire insurance was at something of a saturation point. One hundred odd years had brought about a condition in which the insurance buying public had come to look on fire insurance as a necessity. The generally accepted statement is that somewhere between 80% and 95% of insurable values are covered by fire insurance. High and low, rich and poor buy fire insurance to protect themselves against loss from that hazard and there is little sales resistance; it is merely a question of from whom they will buy.

"Automobile liability insurance has been another story. Previous to the war the most frequently quoted figure as to insured risks was 30%, and this figure was achieved only after fierce competition between various types of carriers and an almost universal sales effort on the part of producers.

#### What Comprised Insured Class?

"What comprised the 30% of insured vehicles? Fleets of commercial cars; in fact, commercial cars generally are insured, so that the percentage of this class will likely reach 75% or 80% (and this is only a guess). The remainder of the 30% would be individually owned, private passenger cars. Of this last class, those insured would of course be the wealthy, with full appreciation of their vulnerability. It would likewise comprise business men whose business judgment told them that liability insurance was a necessity, regardless of cost. It would also include workers and home owners who had accumulated a 'stake' and who realized that an accident could take their life savings. It must not be overlooked that this 30% also included a goodly number of incompetent drivers who carried insurance because of their very incompetence. This last group was of course responsible, to a degree at least, for the rates; and the situation could hardly better itself as long as the producers were unable to raise the ratio of insured to uninsured over the 30% above mentioned.

"General economic conditions had not been good for a period of 10 years or more. During that entire period we had



C. A. ABRAHAMSON

national unemployment ranging from 5,000,000 to 12,000,000. Even now we are only a year removed from WPA. We must remember that the automobile had come to be regarded as a necessity; and millions of cars, from the \$25 'jalopy' to the \$300 used car, were in the hands of and being driven by an army of unemployed and by people in the lower wage brackets.

"Up to 18 months ago, 80% of cars sold were sold on a time payment plan. There are thousands of instances where a car owner, over a 10 year period, was never out of debt to a finance company. The finance companies themselves were engaged in a highly competitive business. While most of them would welcome, and in some cases suggest, the purchase of automobile liability insurance, because it would strengthen their collateral, they were likewise in no position to require it, and were content to consider the car itself as their real collateral. It would be a guess at best to determine just what percentage of financed cars carried liability insurance, but it is safe to say the percentage was not very large. In all too many instances the creditor found that it was hard enough to keep up his payments, much less buy liability insurance. Further, he was a 'careful' driver, and still further there were thousands of instances where he was 'judgment proof' and his only asset of consequence was his equity in the car.

#### Changes in 18 Months

"Let us review the changes which have taken place in the past 18 months or so.

"1. There is little unemployment. As employment rose, the \$25 'jalopies' were converted into scrap and the former owners stepped up a notch and bought a better car.

"2. The finance companies have largely been paid off, and millions have suddenly found themselves owning a car for the first time in their lives, while the

The average man may  
not be driving his car  
as much during wartime but he has  
six times more savings  
and nearly 12 times more  
U.S. bonds to protect from liberal  
juries than he had in 1940



cars have taken on a new meaning as a tangible asset instead of merely a means of transportation for which you paid a finance company a set sum per month.

"3. Some states, such as New Hampshire, New York and Indiana have passed real financial responsibility laws, while some other states have put, or are putting teeth into their financial responsibility laws.

"4. The National Safety Council, and some individual companies (notably the Liberty Mutual) have carried on most aggressive safety campaigns, which have undoubtedly had some effect on driving habits and public consciousness.

"5. War-time restrictions through rationing of use of our cars has of course had the most profound effect on losses, particularly the personal injury portion of the premium.

#### Answer Was Rate Reduction

"There was only one answer to all this: A drastic reduction in rates.

"Generally speaking, an insurance producer has little complaint about rate reductions, mostly on the theory that sales resistance is lowered; but I have heard a few 'squeals' from producers on the recent reductions in automobile liability rates.

"It is true that the producer must sell three policies in 1943 against two in 1942 to receive the same compensation; but it is my opinion that this is healthy rather than otherwise. The fact must not be forgotten that because of the lower rates it only takes half the time to sell. Further, the prospect has money in his pocket. The margin between earnings and consumer goods availability has become staggering in its width.

"It is an opportunity and a challenge to the producer. Any insurance salesman will concede that once a purchaser 'gets the habit' on a given line of insurance, he is not prone to drop it at expiration. If, then, the producers will reach into the hitherto uninsured field and raise the 30% to 50% or 60%, we will have furthered the cause of 'Insurance is a Necessity' by just that much. Also, it must be remembered that the majority of drivers are good drivers and have no accidents, so that from the standpoint of loss ratios, if a sufficiently large number of hitherto uninsured are brought into the fold, the greater spread will produce a better ratio and enable the rates to remain at a low enough level to induce renewal and develop 'the habit'."

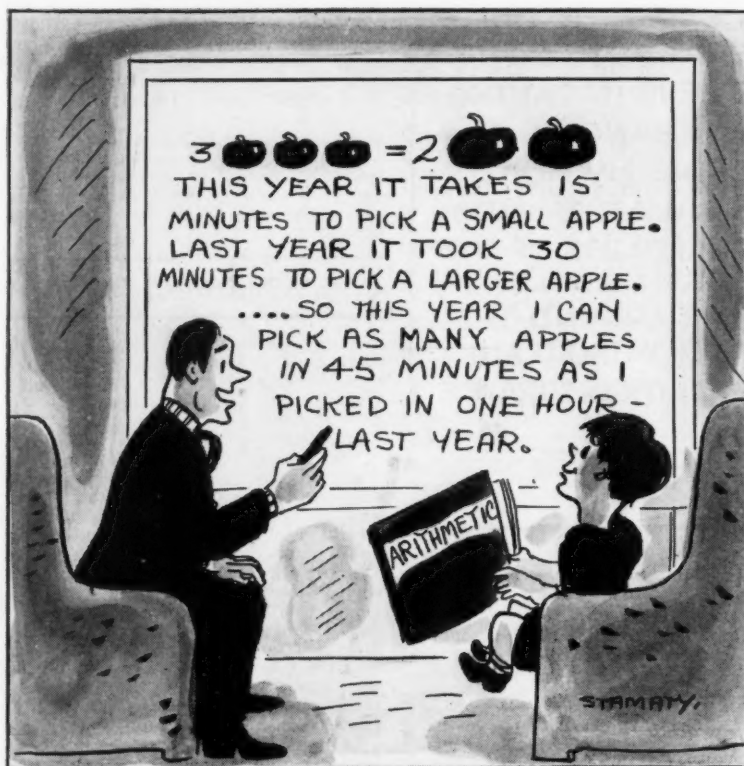
#### ED. H. MOORE

Ed. H. Moore of Birmingham, president Alabama Association of Insurance Agents, makes the following observations:

"Gasoline rationing and the rubber shortage have greatly curtailed the operation of automobiles, and for a good many motorists this has been a signal



ED. H. MOORE



"Funny thing, son, substitute 'auto liability insurance commission' for 'apple' in your problem and you get a good picture of the problem in my business."

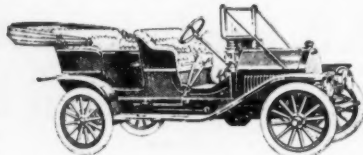
to eliminate bodily injury, property damage and collision insurance on their cars. This situation presents a real challenge to the local agent, and he must call forth all of his persuasive powers if he is to keep this business on his books.

"One of the best arguments, of course, is to impress upon the assured that, in spite of reduced driving, it only takes one mistake to cause an awful lot of trouble. In a good many instances, also, the assured's income has increased considerably during the past year, he has more at stake financially than was the case a few years ago, and, therefore, his need for liability insurance is much greater than it was before.

#### Argument for Collision Cover

"One effective argument we have used for the sale of collision insurance is that if an automobile is smashed up in a wreck today, it must be repaired as it cannot be traded in on a new car as was the case before the war, unless the owner is fortunate enough to have a very high priority rating. This argument has impressed on some car owners the value of their automobiles in these war days, and has led to a desire to protect that value.

"The considerably reduced rates for bodily injury and property damage liability as a result of gasoline rationing have brought such insurance within the range of many car owners who have all along been self-insurers. The opportunity is present for the local agent to offset his declining volume by getting many new automobile policyholders on his books. The reduced premium cost has, of course, aided materially in holding the business of those who are tempted to drop their insurance because of reduced driving. We as local agents must exert every effort to maintain active contact with the automobile situation in order to take full advantage of the boom which will surely come when the present war comes to a close."



#### Auto Business Withstands Shock of War

(CONTINUED FROM PAGE 2)

trucking risks in need of real insurance service.

#### Hard to Sweeten Line

Seemingly there is no brand of insurance soda that will sweeten a line which has gone sour. Every underwriter is forced to decline risks which have gone sour from several causes, chief among which is an all too common fallacy that there is no bottom to rates, and no law of averages in insurance rates.

A frequently used household remedy for the sour risk is a bottle of high deductible, under which the insured pays a low insurance cost, and the company receives an inadequate premium for the actual hazard. The agent likewise takes a lower income and the insured frequently ends up with a higher net loss under his high deductible than he would have paid for adequate insurance, with a deductible in keeping with his investment per unit and the probable collision exposure hazard.

#### Fleet Rating Viewed

The average underwriter also knows of a half dozen or more good fleet lines where the owner carries his own collision because the combined factors of his operations have yet to be reflected in a fair and adequate rate for both the insured and the company. There is reasonable evidence to support the belief that some rating methods, already tested favorably in the insurance business, could be applied profitably to many fleet risks.

The operations of some desirable fleets appear to need a guaranteed maximum insurance cost for the owner, and the company must have a defensible minimum premium income. These maximum and minimum premiums can be leavened with a current earned loss ratio. It does appear that a proper soda to sweeten the sour risk is not entirely impossible.

What about the car of tomorrow—will it be present models revamped slightly, or something entirely new? Having earned my first dollar walking seven

miles a day, or a total of 210 miles in a month, taking a cow to and from pasture, I am inclined to be conservative, but since "A cat can look at a king," perhaps my predictions of things to come are as good as those of another.

The automobile of tomorrow ultimately will get around to a more practicable and a more serviceable model. It should cost less and have more, be cheaper to operate, less expensive to repair, and thus less costly to insure. Streamlining should increase within reason, and the driver may sit so close behind his plastic windshield that if he continues to take curves on two wheels, it may be necessary to pick more than the steering wheel out of his lap before he will be presentable to his friends.

#### Will Want New Cars

It is only natural that the automobile buying public will want new cars as soon as possible after the duration. Cars therefore will change, but not too radically, because we will be a sobered and more conservative people when this is all over—a little less inclined, I think, to undervalue the price paid for our way of life, including our new automobiles.

Into this picture it might be well to suggest that financing the automobile of tomorrow will differ from the financing pattern of yesterday. Before Pearl Harbor the finance pattern had just begun to include life insurance and accident insurance protecting the unpaid balance in case of death or injury of the purchaser. To this was being added a delightful bit of service to a purchaser of good credit standing, who, finding himself away from home and low in funds, could secure an additional loan by telegraph.

These things, and more, probably will be included in the oncoming finance plan, with all indications of a complete coverage policy, having only two groups of coverages—all comprehensive physical damage coverage in one, and all third party coverages in the other. The possibilities of this picture offer a many colored speculation of tomorrow's automobile insurance and financing set-up.

But enough of fore-guessing, and likewise enough of yesterday, whose record cannot be rewritten. The world has long needed only today to write that wonderful rhythm of time we call history. So long as the automobile remains to much a part of our very existence, being the dining room, living room, parlor, and sometimes bedroom, in which we live, move and have our being, automobile insurance premiums will continue to run like a multi-colored thread through the woof of the insurance income of both agents and companies.

The man who wanted to "make two blades of grass grow where only one grew before," was not an idle dreamer, and he who would walk in the greener pastures of the automobile insurance business must plant a Victory garden of broader service to the man who pays the premium.

#### Now Is Time to Develop Buying Habit

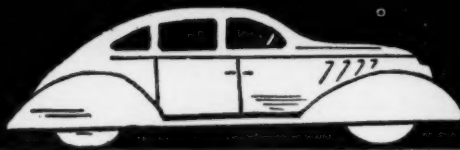
Developing a buying habit is an important factor in selling anything and especially insurance. When a customer makes a new expenditure it takes more effort to get him to do so. But when he is buying something for which he is used to paying, there is much less resistance. With automobile rates at a low point, now is the time to develop buying habits. Many motorists who have never felt they could afford insurance now have ready cash. After the war they may not have as much income but there is a certain superstition about buying insurance, many persons feeling that if they drop a policy they have been carrying for several years it will be just their luck to have an accident and not be covered.



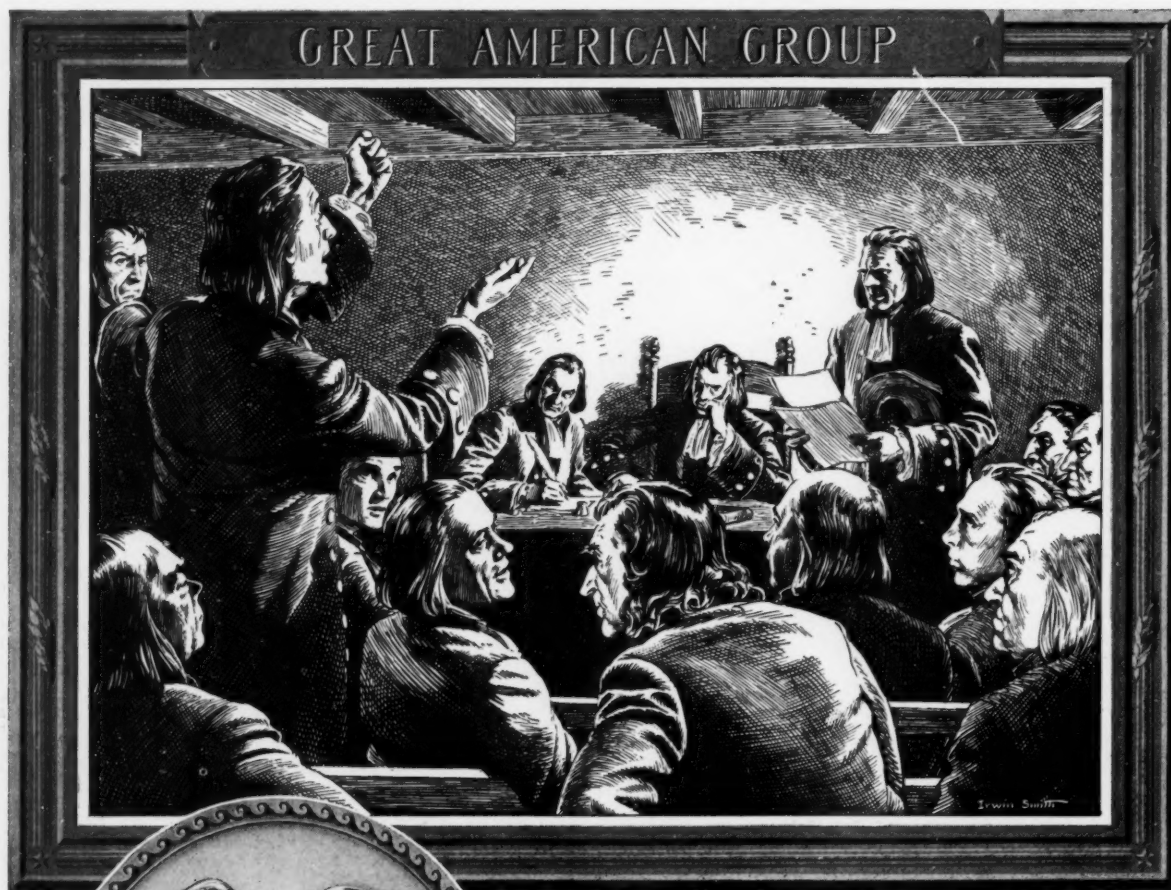
## Automobile Premiums and Losses of Stock Fire Companies

(CONTINUED FROM PAGE 18)

1942					1941					1942					1941				
Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.		Net	Paid	Loss	Inc.	
Premia.	Losses	Ratio	or Dec.		Premia.	Losses	Ratio	or Dec.		Premia.	Losses	Ratio	or Dec.		Premia.	Losses	Ratio	or Dec.	
		%	In Premia.				%	In Premia.				%	In Premia.				%	In Premia.	
Carolina .....	84,979	174,692	206.0	-289,715	374,094	212,981	56.8	-12,590		Nt. Grange F.	116,851	14,702	12.8	+13,777	103,073	13,584	13.1	+21,220	
Cavalier .....	103,278	43,126	41.5	+78,227	24,651	182,289	42.4	+123,869		Nat. Liberty..	311,234	637,883	204.8	-1,057,531	1,368,765	777,211	56.7	-24,904	
Gen. Sur. F.	354,125	150,602	42.5	+76,333	430,458	182,289	42.4	+123,869		Nat. Reins.	19,173	8,976	46.8	+451	18,722	2,567	13.7	+7,571	
Centennial ..	13,732	2,044	15.0	.....	.....	.....	.....	.....		Nat. Reserve.	100,407	105,979	105.5	-178,199	278,606	169,282	60.7	-12,814	
Central, Md.	151,127	81,667	54.0	-67,767	218,894	96,417	44.0	+33,961		Nat. Secur.	50,376	27,219	51.5	-22,588	72,964	32,139	44.0	+11,320	
Century, Scot.	87,561	52,808	60.5	-52,278	139,839	60,508	43.2	+19,154		Nat. Un., Pa.	1,856,170	1,388,403	75.0	-1,483,367	3,339,546	1,429,628	42.8	+933,422	
Church Prop.	.....	.....	.....	.....	2,926	894	27.6	.....		Netherlands ..	28,713	65,949	230.0	-88,197	116,910	40,376	34.5	+80,663	
Christiana G. N.	.....	.....	.....	.....	7,666	145	1.8	-9,024		Newark .....	306,429	145,110	47.3	-75,289	383,718	173,905	45.3	+54,047	
Chris. Gen. N.Y.	15,467	36,327	234.8	-39,825	55,292	11,279	20.3	.....		New Brunswick	169,960	349,384	205.6	-578,427	749,387	425,962	56.8	-25,181	
Citizens, N. J.	26,534	15,920	60.0	-12,351	38,849	20,178	51.9	+4,357		New England.	55,884	34,380	61.5	-18,675	74,659	35,333	47.9	+14,231	
City of N. Y.	339,915	698,769	206.0	-1,158,660	1,498,575	851,924	56.8	+234,896		New Hamp.	506,490	605,191	108.0	-554,425	1,090,915	553,221	52.1	+165,058	
Colonial Assur.	39,392	31,050	80.0	-10,972	49,364	15,759	31.8	-16,485		N. J. Mfrs.	369,415	111,823	30.1	-23,534	392,949	145,772	37.0	+40,627	
Columbia, N. Y.	107,330	51,127	47.0	-18,141	125,471	62,969	50.1	+16,228		N. Y. Fire.	186,438	114,102	61.5	-81,738	268,171	123,370	46.0	+40,206	
Columbia, O.	80,496	43,833	49.0	+59	89,337	49,855	55.8	+20,968		N. Y. Under.	150,005	71,030	47.5	-66,120	206,125	96,311	46.6	+108,322	
Commerce .....	225,331	116,499	52.0	-8,180	233,511	196,035	83.9	-182,781		New Zealand.	43,555	20,180	46.5	+5,154	38,401	14,923	38.8	+11,639	
Commerce, Ga.	.....	.....	.....	.....	50,371	14,261	28.3	+6,044		Niagara .....	645,682	317,064	49.0	-73,250	118,932	282,765	39.3	+160,713	
Com. Un., Eng.	658,513	431,881	66.0	-286,926	945,439	483,873	51.1	+202,535		N. Am. F. & M.	611	211	34.9	.....	.....	.....	.....	.....	
Com. Un., N. Y.	139,711	90,960	65.0	-80,863	200,574	102,686	51.1	+42,437		N. Brit. & M.	485,977	314,697	65.1	-376,184	862,161	412,314	47.8	+37,913	
Commonwealth	296,026	135,021	45.5	-95,795	391,821	152,776	38.9	+79,169		Northern, Eng.	418,939	273,215	66.5	-303,116	722,059	363,109	50.2	+167,247	
Concordia .....	432,240	222,044	51.5	-21,927	454,167	212,664	46.8	+97,997		North, N. Y.	1,380,662	609,527	44.0	-333,229	1,713,801	816,171	47.6	+190,867	
Connecticut F.	594,809	428,459	72.5	-408,310	1,093,119	506,764	50.5	+157,233		North River.	340,394	213,559	62.5	-304,768	645,162	216,576	33.5	+278,886	
Constitu. Re.	5,508	2,645	48.5	+3,585	1,924	1,720	89.3	-6,485		Northeastern.	19,732	46,433	.....	-142,193	122,591	406,088	331.7	-574,233	
Continental ..	1,933,080	2,102,928	108.5	-3,321,091	5,254,171	2,554,584	48.6	+2,056,514		North Star ..	49,632	70,524	142.3	-203,761	253,383	657,671	259.5	-698,685	
County P., Pa.	34,036	15,504	45.5	-5,810	39,846	17,338	44.7	+6,682		Nw. F. & M.	78,929	51,131	64.3	-44,147	125,976	66,858	54.3	+7,443	
Dearborn Nat.	5,738	42,636	743.0	-120,177	125,915	142,459	113.1	-134,757		Northw. Natl.	647,094	322,165	49.7	-245,293	892,297	383,847	43.0	+137,482	
Detroit F. & M.	67,661	31,004	46.0	-11,650	79,311	35,776	45.1	+13,361		Norwich Un.	329,865	147,276	44.8	+60,385	269,481	121,494	45.0	+39,667	
Dixie .....	44,748	21,916	49.0	+80	44,668	24,996	55.9	+10,484		Occidental ..	167,415	102,356	61.0	-84,709	252,124	121,053	48.0	+26,314	
Dub. F. & M.	344,710	246,944	72.0	-345,210	689,926	447,148	64.8	-133,112		Ohio Ins.	373,825	118,552	31.2	-21,168	394,993	125,066	31.6	-42,644	
Eagle, N. J.	27,694	7,009	25.0	-14,027	41,721	23,424	56.1	+14,204		Ohio Farmers	930,738	567,169	60.7	-384,847	1,315,586	588,808	44.7	+353,767	
Eagle, N. Y.	80,022	32,986	41.5	+11,095	68,927	31,996	46.4	+563		Old Colony ..	178,354	77,698	43.3	-36,693	215,047	84,049	39.0	+28,165	
Eagle Star ..	167,466	94,428	43.0	-81,346	248,812	145,579	58.1	+48,524		Old Dominion.	8,203	3,829	46.6	-1,668	9,871	5,726	58.0	+2,907	
East & West.	159,906	76,201	47.5	-12,366	172,272	74,961	43.5	+48,524		Orient .....	216,338	96,330	44.5	-31,550	247,888	112,355	45.3	+46,173	
Emmco .....	1,258,129	2,797,955	223.3	-5,937,797	7,195,926	3,392,278	47.1	+498,906		Pacific Coast.	29,187	17,603	60.1	-17,426	46,613	20,169	43.2	+6,388	
Emp. St., N.Y.	209,406	134,618	64.5	-60,674	270,080	124,840	46.0	+98,249		Pacific Natl.	528,426	280,674	53.0	-222,494	751,275	367,063	48.8	+616,142	
Employers ..	1,492,805	505,838	34.0	-85,299	1,578,104	643,609	40.7	+281,640		Pacific, N. Y.	1,329,856	1,053,473	80.0	-1,106,621	2,436,477	1,353,127	55.5	+236,177	
Equit. F. & M.	118,962	85,692	72.0	-81,662	200,624	101,353	50.5	+31,447		Palatine .....	157,253	102,372	65.0	-68,455	225,708	115,564	51.1	+47,749	
Equitable, S.C.	381	.....	.....	+192	189	.....	.....	.....		Patriotic .....	163,671	93,066	57.1	-79,799	243,470	107,578	44.1	+62,129	
Equit. F. Mo.	282	.....	.....	.....	.....	.....	.....	.....		Paul Revere.	169,958	349,384	203.0	-579,429	749,387	425,962	56.8	-25,181	
Eureka-Sec.	590,896	325,435	57.0	-153,887	773,983	456,384	58.9	-150,649		Pearl .....	619,429	214,422	34.5	-127,421	746,850	439,926	58.9	-140,967	
Excelsior .....	24,730	7,279	29.8	-894	25,624	8,816	34.4	+3,843		Pennsylvania.	614,654	284,551	46.7	-175,179	789,833	346,400	43.8	+105,064	
Farm. F., Pa.	121	63	52.0	-251	372	269	.....	.....		Penn. Lib., Pa.	4,965	847	19.2	+1,327	5,812	685	21.8	+700	
Federal .....	2,244,336	1,131,378	50.5	-563,125	2,807,461	1,184,757	42.2	+372,830		P. Mfrs. Assn.	186,143	32,265	17.3	+1,915	218,408	24,802	12.4	+34,630	
Federal Un.	91,129	42,846	47.0	-18,283	109,412	47,722	43.6	+19,809		Phila. F. & M.	167,919	90,730	57.8	-75,296	243,215	107,130	44.0	+27,734	
Fid. & Guar.	2,509,800	1,059,615	42.0	-196,039	2,705,839	1,117,901	41.3	+557,853		Phila. Natl.	86,121	131,244	152.0	-222,532	368,653	181,182	58.7	+26,997	
Fid.-Phenix ..	2,050,603	1,065,144	79.0	-1,881,141	3,931,744	2,011,989	51.1	+747,776		Phoenix, Conn.	985,683	710,018	72.0	-676,629	1,662,312	839,781	50.5	+260,558	
Fire Assn.	1,291,821	1,968,663																	



An advertisement similar to this appears in *NEWSWEEK*, April 5th, and *SATURDAY EVENING POST*, May 1st.



Reproduced from the original drawing by Irwin Smith



*Member Companies—Providing  
practically every form of insurance except life*

**Great American  
Great American Indemnity  
American Alliance  
American National  
County Fire  
Detroit Fire & Marine  
Massachusetts Fire & Marine  
North Carolina Home  
Rochester-American**

## Group Action in the Service of All

The early New England town meeting is a good example of how a group of Americans pooled their talents for the common benefit. Such group action was one of the earliest expressions of our democracy.

The Great American Group of Insurance Companies similarly pools varied talents and wide experience to provide a comprehensive service to thousands of policyholders. Today, war scarcity and difficulty of replacement have tremendously increased exposure to loss. As one example, the costs of home construction and furnishings have risen as much as 24% above the 1935-39 average.

The Great American Group, through its representatives, urges all policyholders to re-examine their insurance in the light of these radically changed conditions. There are 16,000 such representatives—one or more of them conveniently near you—through whom you may benefit by Great American's broad experience and service. Or, if you prefer, this service is available through your broker.

**COMPLETE YOUR COVERAGE WITH WAR DAMAGE INSURANCE**



